

**MINUTES OF THE 2<sup>ND</sup> MEETING FOR THE YEAR 2017-18 OF THE BOARD OF DIRECTORS OF KARNATAKA PUBLIC LANDS CORPORATION LIMITED HELD AT 3.00 PM ON 23<sup>RD</sup> DAY OF SEPTEMBER, 2017 AT ROOM NO. 510, V<sup>TH</sup> FLOOR, M S BUILDINGS, BANGALORE – 560 001:**

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**PRESENT:**

- |                                |                     |
|--------------------------------|---------------------|
| 1. Dr. E. V. Ramana Reddy, IAS | - Chairman          |
| 2. Dr. N. V. Prasad, IAS       | - Managing Director |
| 3. Shri Munish Moudgil, IAS    | - Director          |
| 4. Shri S. Palaiah, IAS        | - Director          |
| 5. Shri G. B. Hemanna          | - Director          |

**IN ATTENDANCE:**

- |                   |                   |
|-------------------|-------------------|
| 1. Shri Indresh R | - General Manager |
|-------------------|-------------------|

**2. BY INVITATION:**

- |                           |                                |
|---------------------------|--------------------------------|
| 1. Shri Vijayakrishna K T | - Company Secretary Consultant |
| 2. Shri Anand             | - Chartered Accountant         |

**ITEM NO. 1: LEAVE OF ABSENCE:**

Leave of absence was granted to Smt. M. V. Jayanthi, IAS, Shri V. Shankar, IAS, Shri S. P. Shadakshri Swamy, IAS, Shri S. M. Zulfiquar-ulla and Smt. Seema Garg, IFS, who had expressed their inabilities to attend the Meeting.

**ITEM NO. 2: NOTING OF THE MINUTES OF THE PREVIOUS BOARD MEETING:**

Minutes of the 1<sup>st</sup> Meeting for the year 2017-18 of the Board of Directors held on 17<sup>th</sup> June, 2017 as circulated were noted.

**ITEM NO. 3: ACTION TAKEN ON PROCEEDINGS OF THE PREVIOUS BOARD MEETING:**

Detailed Action Taken Report on the Minutes of the previous Board Meeting as placed before the Directors as under was studied and was taken on record by the Board:

<b>ACTION TAKEN ON DECISIONS OF THE PREVIOUS BOARD MEETING</b>		
<b>Item No. of Previous Meeting</b>	<b>Subject</b>	<b>Action Taken</b>
5	Approval of Final accounts of the Company for the year ended 31 <sup>st</sup> March, 2017.	The Draft Financial Statements for the year ended on 31 <sup>st</sup> March, 2017 along with Notes and Schedules attached thereto, has been approved subject to such changes as may be incorporated on receipt of comments of the Statutory Auditors and Comptroller and Auditor General of India (C&AG).
6	Approval of Board's Report for the Financial year 2016-17.	The draft Board's Report for the Financial Year 2016-17 was approved.
7	Convening the Annual General Meeting (AGM) for the Financial Year 2016-17 and Authorisation to issue Notice thereof.	The 8 <sup>th</sup> Annual General Meeting (AGM) will be convened on 23 <sup>rd</sup> September, 2017 and Notice is issued in this regard.

#### **ITEM NO. 4: REVIEW OF BUSINESS:**

The Board noted the following:

#### **1) Sensitising the field level functionaries with regard to recovery of encroached Government land:**

In order to sensitise the field level officers to speed up recovery of encroached Government lands, disposal of public complaints, effective prosecution of court cases pertaining to Government lands, transfer of cases pending in subordinate courts to the Special Court for Prohibition of Land Grabbing, survey-boundary marking of lakes, protection of Government lands by fencing/trenching, updating the data-base of lakes in the State etc., the Company officers are holding meeting at division/district levels. The details were as under:

No.	Meeting Date	Districts
1.	28.04.2017	BDA/BBMP
2.	24.05.2017	Ramanagara District
3.	30.05.2017	Belgaum Division
4.	02.06.2017	Kalaburagi Division
5.	06.06.2017	Mysore Division.
6.	09.06.2017	Bangalore Division
7.	20.06.2017	Mandya & Ramanagara Dist.
8.	21.06.2017	Bangalore Rural

9.	28.06.2017	Banalore Urban.
10.	30.06.2017	Bangalore Rural
11.	04.07.2017	Tumkur District
12.	06.07.2017	Kodagu District
13.	11.07.2017	Bangalore & Kalaburagi Division
14.	12.07.2017	Mysore & Belgaum Division.
15.	08.08.2017	BDA/BBMP
16.	17.08.2017	Belgaum, Dharwad, Uttara Kannada districts
17.	18.08.2017	Bagalakot, Gadag, Haveri, Vijayapura districts.
18.	23.08.2017	Kolar district

Chairman sought information on the progress on the subject, which was furnished.

## 2) Removal of Encroachment:

As per the information furnished by the Deputy Commissioners the progress achieved in removal of encroached Govt. land were as follows.(As on 31-07-2017)

	Details	Acres
1	Total Extent of Govt. land	6383634
2	Encroachment identified	1219466
3	Encroachment pending in Form-50/53,	754127
4	Extent involved in Court cases, utilized for public purpose	15972
5	Directly removable extent	449367
6	Encroachment removed till date	263681
7	Balance	185686

Till now around 2.63 lakh acres of land has been freed from encroachment.

## 3) Public Complaints regarding encroachment on Government lands:

The KPLC has also been receiving complaints from the public with regard to encroachment on Govt./public lands and sending them to the field level officers of concerned departments viz. DCs, Tahsildars, ACFs, Commrs of CMC/TMC. etc. for examination and remedial action. Out of 2597 complaints 756 complaints have been disposed of and 1841 complaints are still pending. In all these cases, after sending the complaint to the concerned officers, the KPLC has been repeatedly reminding the said officers by sending letters and holding frequent meetings (division-wise/district-wise).

Chairman drew the attention to the Audit objection on the complaints and sought details of pending complaints and urged that the pending complaints be redressed quickly.

#### **4) Protection of recovered lands:**

Protection of Government land is being got done through the Deputy Commissioners by providing Government grants to the Deputy Commissioners for fencing the recovered Government lands. An amount of Rs.1811 lakhs has been released to all the Districts out of which 24 districts have sent utilization certificate for having spent Rs.1051.08 lakhs. Balance amount with the DCs is Rs.759-92 lakhs. The Deputy Commissioners have also been requested to send requirement of funds in writing.

#### **5) Removal of encroachment from Wakf Properties:**

The Chief Executive Officer, Karnataka State Board of Auqaf by his letter No. KSBA/CEO/PA/1/17-18, dated 04.05.2017 has requested to review the pendency of eviction of Wakf properties with the Deputy Commissioners (u/s 52 of the Wakf Act, 1995) and Assistant Commissioners (u/s 54 of the Wakf Act, 1995). As per the said information 34 cases are pending 12 districts and 172 cases are pending with 25 Assistant Commissioners. (District-wise/sub-division wise information is enclosed herewith). The Assistant Commissioner, Kundapura sub division by his letter No.MAG/CR/113/17-18, dated 26.07.2017 has informed that one case is pending before the Karnataka Wakf Tribunal, Mysuru. After the decision of the Tribunal further steps will be taken.

#### **6) Database of Lakes in the State:**

As per one of the ancillary objective of the Company, i.e. to collate the data about the Govt./Public lands, the KPLC has developed a web based software to provide information about the lakes in the State in public domain. This program consists of (i) Preparation of Register of Lakes, (ii) Details of encroachment, (iii) Steps taken to remove encroachment, (iv) Details of Court cases and (v) Development works done. Approximate number of lakes as per the 'Bhoomi' records is 38547, whereas, data entry made by the Tahsildars is for 34196 lakes in stage-(i). Rest of the stages are yet to be completed by the Tahsildars.

Information on encroachment as sought was furnished.

#### **7) Survey of all lakes in the State and marking the boundaries:**

As per para 363 of the Budget for the year 2017-18, a new project is introduced to survey all lakes in the State by constituting district-wise Task Force under the chairmanship of the Deputy Commissioners. Accordingly the Government has constituted the Task Force in the districts vide G.O. No.RD/60/BhuDaSa/2017, dated 10.05.2017. In this regard, the status report and Action Plan from the Deputy Commissioners is awaited.

**OTHER BUSINESS TRANSACTED WITH THE PERMISSION OF THE CHAIRMAN AND WITH THE CONSENT OF MAJORITY OF THE DIRECTORS PRESENT:**

**ITEM NO. 5 (i). FILING OF INCOME TAX RETURNS OF THE COMPANY:**

Under Section 44(AB) of the Income Tax Act, 1961 where the Company's business or total sales or total turnover or gross receipts crosses or exceeds Rs 1.00 Crore per Annum, the Company should undertake the tax audit for every Assessment Year by a Chartered Accountant and the Tax Audit report should be filed before 30<sup>th</sup> of September for each year. Non compliance of the same attracts a penalty of ½ % of the turnover subject to a maximum penalty of Rs.1,50,000/-.

In accordance with the IT Act, 1961 U/s 44 (AB) the Company has appointed Messrs Giridhara & Associates, CA firm, Bengaluru to conduct the tax audit since inception of the Company vide letter dated 30.11.2015. Due to non availability of certain entries pertaining to IT/TDS in the Accounting Tally system, the Tax Audit assignment has not been completed and the same is under pipeline.

Messrs Giridhara & Associates, Bengaluru has prepared the Final Accounts of the Company for the FY 2016-17 and they are familiar with the IT/TDS payments of the Company as they have conducted the Tax Audit Assignment.

During the Supplementary Audit of the Final Accounts for the FY 2016-17 by C & AG Auditors from 29.08.2017 to 04.09.2017, they have issued the Audit Enquiry No. 04, wherein they have suggested to file the Income Tax Returns of the Company up to 2016-17. The Company has filed the Income Tax Returns up to 2012-2013 and there afterwards the Company has not filed the IT Returns because of non compliance of IT/TDS payments.

If the Company does not file the IT Returns well in stipulated time, Penalty and Interest will be levied by the IT department. Hence to avoid the above, the Company may file the necessary IT Returns for the FY 2015-16 & 2016-17 with any other statutory levies. The Company has made the IT Provision of Rs. 77.00 lakhs for FY 2015-16 and Rs. 64.00 lakhs for the FY 2016-17 in the Books of Account.

Detailed discussion took place on the subject. Shri Anand, Chartered Accountant, representing M/s., Giridhara & Associates, Bengaluru who are the Tax Auditors of KPLC, briefed the Board on the requirement of remitting Income Tax. With the IT filing of IT returns. Queries were raised on the income tax liabilities which were suitably addressed. After due deliberations, the Board authorised Managing Director to review once again with the Auditors/Chartered

Accountants and to seek Finance Department opinion/clarifications before filing of IT returns with the IT due payments.

**ITEM NO. 5 (ii). PAYMENT OF FURNITURE BILL OF RS. 2,67,692.00/- TO MESSRS BANGALORE NIRMITHI KENDRA (U):**

The KPLC Board Room renovation and Alteration was done by Messrs Bangalore Nirmithi Kendra (U) during 2014-15 on the basis of Work Order given by KPLC vide Dated 20.08.2014 for an estimated cost of Rs. 13.81 lakhs. The Board Meeting of KPLC held on 01.09.2014 has approved a total cost of Rs. 26.21 lakhs to take up the renovation/alteration of the KPLC Board Room/other partition works wherein Rs. 3.72 lakhs was earmarked for supply of Furniture and Fixtures.

After the completion of Board Room works, the Furniture required for the Board Room was supplied by M/s., Bangalore Nirmithi Kendra (U) on the oral instructions of the Competent Authorities during October 2015 and submitted the Bill for Rs. 2,67,692.00 for payment.

Since supply of the said Furniture, the Supplied Agency is asking for payment and submitted the Bills frequently in this regard.

During the Supplementary Audit of the KPLC Final Accounts pertaining to 2016-17 by C & AG Auditors team from 29.08.2017 to 04.09.2017, wherein they have suggested to make the payment as the assets are in use by KPLC and advised to make the provision for Depreciation on the said assets vide in Audit Enquiry No. 10.

A Sub-Committee headed by the Asst. Commissioner of KPLC was constituted with Other Members during September 2017 to inspect the Furniture items and a submit a report to take up a decision for payment. The Sub-Committee collected all the relevant documents and after detailed deliberations, submitted a detailed report dated: 13.09.2017 and suggested to place it before the Board for a final decision to make the said payment to Bangalore Nirmithi Kendra (U).

As suggested by Shri Munish Moudgil and as agreed by all the Directors it was decided to leave the matter to Managing Director and authorized him to suitably address the issue in the right manner under KTTA Act, 1999/2000.

Subsequently the matter was withdrawn as per the deliberations from the Agenda Subject.

Chairman confirmed that requisite quorum was present throughout the Meeting.

There being no other business to transact, Meeting concluded with a vote of thanks to the chair at 3.45 PM.

Date on which draft Minutes forwarded to the Directors for their comments.	06.10..2017
Last date for receiving comments from the Directors	13.10.2017
Date of recording of the Final Minutes in Minutes Book	19.10.2017

Bangalore  
06.10.2017

  
Dr. E. V. Ramana Reddy, IAS  
Chairman