

**MINUTES OF THE 4<sup>TH</sup> MEETING FOR THE FINANCIAL YEAR 2017-18 OF THE BOARD OF DIRECTORS OF KARNATAKA PUBLIC LANDS CORPORATION LIMITED HELD AT 3.30 PM ON WEDNESDAY, 28<sup>TH</sup> DAY OF MARCH, 2018 AT ROOM NO. 510, V FLOOR, M S BUILDINGS, BENGALURU – 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 Shivayogi C. Kalsad, IAS | - Director          |
| 4. Shri Munish Moudgil, IAS      | - Director          |
| 5. Shri S.M Zulfiquar-ulla       | - Director          |
| 6. Shri Hemanna                  | - Director          |

**IN ATTENDANCE:**

- |                   |                   |
|-------------------|-------------------|
| 1. Shri Indresh R | - General Manager |
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**2. BY INVITATION:**

- |                           |                                |
|---------------------------|--------------------------------|
| 1. Shri Vijayakrishna K T | - Company Secretary Consultant |
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At 3.30 PM, Chairman occupied the chair and conducted the proceedings of the Meeting. He extended hearty welcome to all the Directors and invitees present at the Meeting.

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

Leave of absence was granted to Shri S. Palaiah, IAS, Shri K Dayanand,,IAS., Smt., C P Shailaja, IAS,, 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 3<sup>rd</sup> Meeting for the year 2017-18 of the Board of Directors held on 3<sup>rd</sup> February, 2018 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:

**ACTION TAKEN ON DECISIONS OF THE PREVIOUS BOARD MEETING.**

<b>Sl. No.</b>	<b>Item No. of Previous Meeting</b>	<b>Action Taken</b>
4	<p>Survey of all lakes in the State and marking the Boundaries:</p> <p>The Board authorized the Managing Director to discuss with the Commissioner, Department of Survey Settlement &amp; Land Records and see if the Commissioner himself can support, or whether he would recommend to outsource the survey work to a reputed professional agency by adopting the prescribed procedures.</p>	<p>The Commissioner, Department of Survey Settlement &amp; Land Records has been requested to give his views/opinion on this matter. (Letter Annexed as II).</p>
5 (i)	<p>Payment and Filing of Income Tax for the Financial Years 2015-16 &amp; 2016-17.</p>	<p>The Concurrence/Opinion has been given by the Finance Department to take action as per the CBDT guidelines. The Tax Auditors Messrs., Giridhara &amp; Associates, Bengaluru have finalized the IT related issues and action is being taken to file the necessary IT returns for the Financial Year 2015-16 &amp; 2016-17 within the stipulated time.</p>
5(ii)	<p>Conversion of the Company as Non-profit Organization as per Section 8 of the Companies Act, 2013.</p>	<p>The Legal Department has furnished the Opinion to Change the Main Objectives of the Company and to convert the Company as Non-profit Organization as per Section 8 of the Companies Act,-2013. Necessary action is being taken.</p>
5(iii)	<p>To authorize any one of the Directors of the Company to procure the GST Registration and Certificate.</p>	<p>Action has been taken to issue resolution of the Board to GST Authorities.</p>
5(iv)	<p>Sitting fee to the Directors for attending the Board Meeting.</p>	<p>The sitting fees of Rs. 1000.00 are being paid to each Director of the Board who attends the Board Meeting.</p>

**ITEM NO. 4.1: REMOVAL OF ENCROACHMENT:**

The Board noted the following:

As per the information furnished by the Deputy Commissioners, the progress achieved in removal of encroached Govt. land are as follows :- (As on 31-01-2018)

Sl. No.	Details	Acres
1	Total Extent of Govt. land	63,83,633
2	Encroachment identified	12,19,675
3	Encroachment pending in Form-50/53, Court cases	7,62,278
4	Extent involved in Court cases, utilized for public purpose	7,881
5	Directly removable extent	4,49,516
6	Encroachment removed till date	2,65,308
7	Balance	1,84,208

(District wise details enclosed as Annexure III)

Till now around 2.65 lakh acres of land has been freed from encroachment.

Managing Director further touched upon the actions taken on the above.

**ITEM NO. 4.2: PUBLIC COMPLAINTS REGARDING ENCROACHMENT ON GOVERNMENT LANDS:**

The Board was briefed as under:

The Company has 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 2650 complaints 763 complaints have been disposed of and 1887 complaints are still pending. In all these cases, after sending the complaint to the concerned officers, the Company has been repeatedly reminding the said officers by sending letters and holding frequent meetings (division-wise/district-wise).

Couple of queries raised by the Directors were suitably addressed.

**ITEM NO. 4.3: PROTECTION OF RECOVERED LANDS:**

The Board was informed as under:

Protection of the 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.1986.00 lakhs has

been released to all the Districts, out of which 24 districts have sent the utilization certificate for having spent Rs.1061.99 lakhs. Balance amount with the DCs is Rs.924.01 lakhs.

The Board noted the same.

**ITEM NO. 4.4: DATABASE OF LAKES IN THE STATE:**

Attention of the Board was drawn to the following:

As per one of the ancillary objectives of the Company, i.e. to collect the data about the Govt./Public lands, the Company 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 35,668 lakes in stage-(i). Rest of the stages is yet to be completed by the Tahsildars.

The Board took on record the above.

**ITEM NO. 4.5: SURVEY OF ALL LAKES IN THE STATE AND MARKING THE BOUNDARIES:**

The Board noted the following:

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. Targets have been fixed to each district. The Government is requested to release the funds to the Deputy Commissioners (18.01.2018).

The Board took on record the above.

**ITEM NO. 5: APPROVAL OF PAYMENT OF RS. 8.60 LAKHS INCURRED TOWARDS TAXI HIRING CHARGES DURING 2011-12 AND 2012-13:**

Managing Director drew the attention of the Board to the following issue which was pointed out by C&AG:

As per the request from the Deputy Commissioner, Bangalore Urban District Vide Letter No: ACT(1)CR-56/2010-11 dated 09.06.2011 and ADM(1)CR-39/2012-13, dated 23.08.2012, to bear the Taxi Hiring Charges for the 3 Special Deputy Commissioners who were assigned with the work of speedy disposal of cases under Section 136(3) of the Karnataka Land Revenue Act. The Company has paid Rs. 7,40,000 during 2011-12 and Rs.1,20,000 during 2012-13 towards taxi hiring

charges. Totally Rs. 8,60,000 has been paid by the Company. The said Taxi hiring payments has not been re-imbursed in spite of several reminders.

The C & AG has submitted the inspection report on the Accounts of the Company for the period 2008-2013. During the Supplementary Audit for the Financial Year 2016-17, vide Audit Enquiry No. 1, dated: 01.09.2017 (Annexure - IV) and observed that outstanding payment has not been recovered so far. The Audit team has suggested to treat the outstanding amount as expenditure and may charge to P & L Account. Still the observation is pending with C&AG.

After due deliberations, the Board approved to treat the said amount as expenditure and charge to P & L account.

Further, the Managing Director was authorised to provide vehicles to Special Deputy Commissioners in Bengaluru till the Government of Karnataka provides Official vehicles to them.

**ITEM NO. 6: APPROVAL OF PAYMENT OF RS. 2.64 LAKHS INCURRED TOWARDS ELECTRICITY CHARGES DURING 2010-11 AND 2011-12:**

Managing Director drew the attention of the Board to the following:

As per the request from the Deputy Commissioner, Bangalore Urban District Vide Letter No: ACT(1)CR-38/2004-05, dated 04.08.2010 and 19.04.2011 to pay the Electricity Charges of the Encroachment wing of DC office premises as the Grants have been exhausted under the Head of Account 2053, The Company has paid Rs. 73,503.00 during 2010-11 and Rs.1,90,488.00 during 2011-12 towards Electricity Charges of the Encroachment wing of Bangalore DC office. Totally the Company has paid Rs. 2,63,541.00 towards the Electricity Charges in lieu of reimbursement by the said Urban DC office. But till date no payments has been received in spite of several reminders.

The C & AG has submitted the inspection report on the Accounts of the Company for the period 2008-2013. During the Supplementary Audit for the Financial Year 2016-17, vide Audit Enquiry No. 1, Dated: 01.09.2017 (Annexure - IV), observed that outstanding payment has not being recovered so far. The Audit team has suggested to treat the outstanding amount as expenditure and may charge to P & L Account. Still the observation is pending with C & AG.

The above matters were placed before the Board and further, the following points brought for kind notice:

1. The Company was established under the Companies Act, 1956/2013 and incorporated on **01.12.2008**. The Company is functioning in the Bengaluru Urban DC Office Building since inception.

2. As the Company is having a separate legal entity and bound to bear the overhead expenses as and when required. The Company is located in the Govt. building without incurring any expenditure towards overhead expenses.

3. The overhead expenses like Office Rent, Electrical Charges, Water supply charges, Parking area maintenance, Building Maintenance. Security maintenance and other related expenditures have been taken care by the urban DC office administration and all the expenditures are borne by the said office under head of account 2053, out of the Grants which are released by the Govt. exclusively for the DC office maintenance.

4. The Company is working under the Administrative control of Revenue Department. Hence, the accommodation is provided by the said DC office without collecting any rent and other expenses from the Company. If the Company was located in a private premises in the existing locality, approximate rent of Rs. 2.00 Lakhs per month would have been incurred and annually nearly 30.00 lakhs would have been incurred towards overhead expenses.

5. Present accommodation where the Company is located is a convenient one and sufficient enough to accommodate the required staff of the Company. The Company has saved nearly Rs. 25.00 Lakhs per year since 2010-11.

After considering the above, the Board approved to treat the amount of Rs. 2,63,541.00, which was incurred towards the Electricity Charges, as expenditure and charge to P & L account.

**ITEM NO. 7: APPROVAL OF PAYMENT OF RS. 4,01,589.00 TOWARDS LIFT AMC AND REPAIR CHARGES:**

The Board was briefed as under:

The Bengaluru urban DC office has requested vide letter no: ACT(1) CR-62/2010-11 dated 01.02.2018 to pay the AMC charges of the Lift from 01.11.2017 to 31.10.2018 amounting to Rs. 1,22,855.00 and repairs charges of Rs. 2,78,734.00 and stated that no funds are available under the head of account 2053 and no Grants is outstanding from the Government under this head of Account. Totally Rs. 4,01,589.00 has to be paid in favour of Messrs., Otis Elevator Company Limited., Bangalore.

Presently the DC office Building comprises of 5 floors including the basement floor. Only one lift is installed in the premises and there is no alternative lift. As per request of the said DC office and considering the following points, the KPLC has made the payment of Rs. 4,01,589.00 in favour of Messrs, Otis Elevator Company Limited, Bengaluru through DC office by Cheque dated 28.02.201

1. In lieu of visits by the Senior citizens, PH persons, women and children, ill health persons and who are unable to climb the staircase to go 1<sup>st</sup> floor and above, the payment towards lift maintenance was made on priority.
2. Considering the forth coming elections work, the maintenance of lift was necessary.
3. Under the Rights of persons with Disability Act 2016, providing accessible facilities like lift etc., mandatory on the part of management / administration. As there was no alternative, the payment to lift maintenance was on top priority without making any room for inconvenience, or obstruction to work.

The Company's registered office requiring the minimum facilities, the Board approved the payment of Rs. 4,01,589.00 through DC office under the Head of Expenditure 'Office Maintenance Account'.

**ITEM NO. 8: RECONCILIATION OF BANK STATEMENTS FOR THE FINANCIAL YEARS 2013-14 AND 2014-15 ONWARDS AND WAIVER OF DIFFERENCE AMOUNT:**

The Board noted the following:

The C & AG audit for the period from 2013-14 to 2016-17, was conducted during July 2017 and the Audit Enquiry No. 11, Dated: 15.07.2018 (Annexure - V) was submitted wherein the audit team has observed that a difference of Rs. 1,17,794 (set of entries) continued in the Bank Reconciliation Statement (BRS) and advised to take suitable corrective action to treat the difference amount. The BRS was prepared as per the Accounting Standards of the Companies Act from April 2015 onwards and a difference of Rs. 1,17,794 was found out which was carried over since 2013-14.

Several attempts and efforts have been made to find out the difference of Rs. 1,17,794 by the Statutory Auditors, Company Auditors and accounting staff. However, the difference is not found out till date due to non-reconciliation of earlier BRS. The matter has been discussed with both the Statutory Auditors and Company Auditors, where in they have suggested to waive the difference amount, as it is not known as to which financial year the above mentioned difference amount has to be accounted.

After due discussions, the Board approved to book the difference amount of Rs. 1,17,794 as debit transaction and charge to P & L A/c during the Current Financial Year 2017-18.

**ITEM NO. 9: APPOINTMENT OF CHARTERED ACCOUNTANTS FOR THE FINANCIAL YEAR 2017-18:**

It was reported that the Company has appointed Messrs Giridhara & Associates, Chartered Accountants, Bengaluru.(who are also the Tax Auditors of the Company) for the Financial Year 2017-18 for the preparation of Final Accounts

with the Notes & Schedules as per the Accounting Standards and as per the Companies Act, 2013 for a professional fees of Rs. 55,000.00 inclusive of all Statutory taxes.

The Board noted the above.

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

**ITEM NO. 10: PAYMENT AND FILING OF INCOME TAX FOR THE FINANCIAL YEAR 2015-16 & 2016-17:**

Attention of the Board was drawn to the discussions held in the previous Board Meeting regarding the Income Tax dues payable as per IT Act.. Detailed discussions took place on the validity of the claim by the said Department considering that the Company has no commercial activities. Shri Munish Moudgil, IAS, advised to check with another Government of Karnataka undertaking namely Rajiv Gandhi Rural Housing Corporation Ltd., and request the tax auditor to argue/submit before the Income Tax Department strongly that the Government of Karnataka is providing funds for specific purposes of public interest and interest earned out of such amounts should be also be used for the same purposes ~~only~~ and the same may be exempted from the purview of Income Tax. The Board advised to pursue with the Income Tax Department. Managing Director informed the Board that the Finance Department of the Government of Karnataka has advised to go by the applicable rules/Orders of the CBDT and till date no any communication received from CBDT.

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 4.30 PM.

Bengaluru  
10.04.2018

  
Dr. E. V. Ramana Reddy, IAS  
Chairman