

KARNATAKA PUBLIC LANDS CORPORATION LIMITED

2nd Floor, Bengaluru Urban D.C. Office Building,
Behind Kandaya Bhavana, K.G. Road, BENGALURU – 560 009.
Ph.No:080-22114233 Fax No.:080-22133558

KPLC/Accts/BM/20(IV)/2018-19

Dated: 30.11.2018

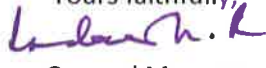
TO
All Directors,
Karnataka Public Lands Corporation Limited,
Bengaluru – 560 001

Sir/Madam,

Sub : Minutes of the 2nd Board Meeting for the Financial Year 2018-19 held on
11.10.2018

With reference to the above, please find herewith enclosed the Minutes of the II Board Meeting of the Corporation for the Financial Year 2018-19 which was held on 11.10.2018 for information please.

Thanking You,

Yours faithfully,

General Manager,
Karnataka Public Lands Corporation Limited,
Bengaluru.

Encl : as above)

(1)

MINUTES OF THE 2ND MEETING FOR THE YEAR 2018-19 OF THE BOARD OF DIRECTORS OF KARNATAKA PUBLIC LANDS CORPORATION LIMITED HELD AT 10.30 AM ON 11TH OCTOBER, 2018 AT KPLC BOARD ROOM, II FLOOR, BENGALURU URBAN D C OFFICE BUILDING, K G ROAD, BENGALURU – 560 009

PRESENT:

- | | |
|--------------------------------|---------------------|
| 1. Dr. Rajkumar Khatri, IAS | - Chairman |
| 2. Sri Manoj Jain, IAS | - Managing Director |
| 3. Sri Shivayogi C Kalsad, IAS | - Director |
| 4. Sri Hemanna | - Director |

IN ATTENDANCE:

- | | |
|------------------|-------------------|
| 1. Sri Indresh R | - General Manager |
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BY INVITATION:

- | | |
|-------------------------|--------------------------------|
| 1. Sri Vijayakrishna KT | - Company Secretary Consultant |
|-------------------------|--------------------------------|

At 10.30 AM, 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: APPOINTMENT OF MANAGING DIRECTOR:

The Board took note of the following:

In terms of Government Notification vide No. DPAR 317 SAS 2018, Dated: 06.08.2018, Sri Manoj Jain, IAS, has been appointed as Managing Director in place of Dr. N V Prasad, IAS, Commissioner, Department of Backward Classes, Government of Karnataka.

After discussions, the Board passed the following resolution:

“RESOLVED THAT the appointment of Sri Manoj Jain, IAS, as Managing Director of Karnataka Public Lands Corporation Limited, Bengaluru in terms of Government Notification vide No. DPAR 317 SAS 2018, Dated: 06.08.2018, in place of Dr. N V Prasad, IAS, be and is hereby noted.

RESOLVED FURTHER THAT any one of the Director of the Corporation be and is hereby authorized to file the necessary returns with the Ministry of Corporate Affairs.”

Chairman extended hearty welcome to Sri Manoj Jain, IAS, and hoped that Sri Manoj Jain, IAS will be able to steer the Company in the best way to achieve its objectives successfully.

Attention of the Board was drawn to the fact that certain changes in the Offices of Deputy Commissioners, Bengaluru Urban and Rural District have been notified by the Government of Karnataka. However, the Company is yet to receive the directions from the Administrative Department on the reconstitution of the Board.

ITEM NO. 2: LEAVE OF ABSENCE:

Leave of absence was granted to Sri Munish Moudgil, IAS, Smt C P Shailaja, IAS, Sri B. M. Vijaya Shankar, IAS, Sri Karee Gowda, IAS, Smt. Seema Garg, IFS and Sri Sarfaraz Khan Sardar, who had expressed their inabilities to attend the Meeting.

ITEM NO. 3: NOTING OF THE MINUTES OF THE PREVIOUS BOARD MEETING:

Minutes of the 1st Meeting for the year 2018-19 of the Board of Directors held on 27th July, 2018 as circulated were noted.

ITEM NO. 4: ACTION TAKEN ON THE DECISIONS 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:		
Item No. of Previous Meeting	Subject	Action Taken
5.	DISCLOSURE OF INTERESTS BY DIRECTOR UNDER SECTION 184 (1) OF THE COMPANIES ACT, 2013.	The Board noted the disclosures of interests by the Directors.
6.	APPROVAL OF FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31 ST MARCH, 2018	The Board approved the Financial Statements with Notes & Schedules for the Financial Year 2017-18.
7.	APPROVAL OF DRAFT BOARD'S REPORT FOR THE FINANCIAL YEAR	The Board approved the Draft Board's Report for the Financial Year 2017-18.

	2017-18.	
8.	CONVENING THE 9 th ANNUAL GENERAL MEETING (AGM) FOR THE FINANCIAL YEAR 2017-18 AND AUTHORIZATION TO ISSUE NOTICE.	The Board approved the same.
9.	SEEKING EXTENSION OF TIME TO HOLD THE ANNUAL GENERAL MEETING OF THE COMPANY	The Board approved for Extension of time to hold the 9 th AGM Meeting.

ITEM NO. 5: APPOINTMENT OF STATUTORY AUDITORS BY C & AG FOR THE AUDITING OF FINAL ACCOUNTS FOR THE FY 2017-18:

The Board noted the following:

Messrs Kukkillaya & Co., Chartered Accountants, Bengaluru was appointed as Statutory Auditors of the Company for the year 2017-18 by C & A G as per the provisions of Section 139 of the Companies Act, 2013. Due to long illness and Brain hemorrhage, the Statutory Auditor was admitted to Fortis Hospital, Bengaluru during July 2018 and unfortunately the Auditor was deceased on 21.07.2018. Hence, the Auditing was not completed in time.

The Directors placed on record the condolences to the bereaved family of the Statutory Auditor.

After bringing the facts with the C & A G, Messrs SSAA & Associates, Bengaluru was appointed as Statutory Auditor for the Financial Year 2017-18 vide Letter No. CA.V/COY/KARNATAKA/KPLC(1)/286, dated: 26.07.2018 for a remuneration of Rs. 65,000.00 inclusive of GST Etc.

The Board took note of the same and approved the remuneration of Rs. 65,000/- inclusive of GST towards audit fee for the financial year 2017-18.

ITEM NO. 6: APPROVAL OF FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2018:

The Board was briefed as under:

The draft Financial Statements for the year ended on 31st March, 2018 were placed before the 1st Board Meeting held on 27.07.2018. Due to sad demise of the earlier Statutory Auditor during July 2018, the C & A G has re-appointed new Statutory Auditors during August 2018. Hence, the Draft Financial Statements were placed before the Board for approval. The said Financial Statements will be forwarded to the C & A G for their review before placing it with the Shareholders at the 9th Annual General Meeting for the Financial Year 2017-18 .

The circumstances leading to lesser profits were explained i.e., due to rate of Interest deduction on Fixed Deposits, etc.,. Additional Expenses, Employee Benefits, Other Income and Other Expenses were explained. Sri Shivayogi C Kalsad, IAS sought clarifications on grants received from the Government and release of Government Grants to District Commissioners' which were explained.

There were queries on certain items like Prior period items in P & L A/c and in the schedules to the accounts which were explained briefly.

After due deliberations, the following Resolution was passed:

“RESOLVED THAT the draft Financial Statements for the year ended 31st March, 2018 along with the notes attached thereto, as tabled before the Board be and are hereby approved, subject to such changes as may be incorporated on receipt of comments of the Statutory Auditors and Comptroller & Auditor General of India (C&AG).

RESOLVED FURTHER THAT the copy of the Financial Statements and the notes attached thereto as approved by the Board, be signed by any two Directors including Managing Director of the Company and be forwarded to the Statutory Auditors of the Company for their report thereon and thereafter to the C & AG for their review and comment.

RESOLVED FURTHER THAT any one Director of the Company be and is hereby authorized to take all necessary actions for giving effect to the above resolution and to sign the requisite forms/ returns to be with the Ministry of Corporate Affairs.”

ITEM NO. 7: APPROVAL OF BOARD'S REPORT FOR THE FINANCIAL YEAR 2017-18:

The draft Board's Report for the year ended 31st March, 2018 was placed before the Board for its consideration and approval.

After careful evaluation, the Board passed the following Resolution:

“RESOLVED THAT the draft Board's Report for the year ended 31st March, 2018 be and is hereby approved.

FURTHER RESOLVED THAT Chairman or Managing Director along with another Director of the Corporation be and are hereby authorized to make any corrections to the Board's Report on receipt of Report from the C & AG.

RESOLVED FURTHER THAT Chairman along with Managing Director or another Director of the Company be and are hereby authorized to sign the Board's Report for and on behalf of the Board."

ITEM NO. 8: OPENING AND OPERATING THE SAVINGS BANK ACCOUNTS:

The Board deferred the matter.

ITEM NO.9: APPROVAL OF CHANGES IN FINANCIAL POWERS OF MANAGING DIRECTOR:

The Board noted the following:

The Fifth Board Meeting of the Company which was held on 27.03.2010 has accorded the approval of Financial Powers of the Managing Director for various occasions. Under Sl. (4) for Engaging the services of various Consultants, Advisors for period not exceeding 1 year, the financial power was limited to Rs. 50,000.00 in one instance/month. The limitation of Rs. 50,000.00 is not able to cover the appointment of the said professionals on contract basis in the Company. Hence, it was requested to raise the said limit of Rs. 50,000.00 to Rs. 1,00,000.00 in one instance/per professional/month depending upon the roles & responsibilities.

After discussions, the Board decided to raise the said limit of Rs. 50,000.00 to Rs. 1,00,000.00 in one instance/per professional/month depending upon the roles & responsibilities.

ITEM NO.10: PAYMENT OF INCOME TAX ARREARS FROM 2013-14 ONWARDS WITH INTEREST AND PENALTIES:

The Board was briefed as under:

The Company has paid the due income tax (IT) to the Central Govt. accounts up to 2012-13. The Company is earning the interest on Fixed Deposits kept at various Banks and IT is payable on the interests earned.

The Company has appointed Messrs Giridhar & Associates, Bengaluru, Chartered Accountants as Tax Auditors of the Company under Section 44 AB of the Income Tax Act. The said Auditor firm has conducted the Tax Audit for the Financial Years 2015-16 & 2016-17 and submitted the Tax Audit Reports for the said 2 years suggesting to pay the IT arrears with interest and penalties of Rs. 88,86,173.00 & Rs. 55,74,005.00 as on January 2018 respectively. The same was placed before the Board in its 4th Board Meeting of 2017-18 which was held on 28.03.2018 for the concurrence of the Board. It was suggested in the Board Meeting to approach the IT Authorities for Exemption of Income Tax on the grounds that the Company is of Govt. owned and the interests earned on the Fixed Deposits will be pooled back to meet the main objectives of the Company

and also suggested to seek the Opinion from Finance Department (FD). The FD advised to follow the CBDT guidelines/orders. Hence the matter was deferred.

The Company has submitted the proposal on 04.03.2014 for getting the Exemption of IT before the Central Board of Direct Taxes (CBDT) on the interests earned on the Fixed Deposits u/s 10(46) of IT Act. The Company is pursuing with the CBDT and the proposal is under pipeline.

The Proceedings in the IT Tribunal vide Appeal No. 1472 & 1473/Bang/2014 filed by Rajiv Gandhi Rural Housing Corporation Limited, Bengaluru and the IT Appeal No. 78 of 2008 filed at High Court of Karnataka by Messrs Karnataka Urban Infrastructure Development Corporation, Bengaluru vide Dated : 24.07.2015 & 09.01.2009 respectively wherein both the Corporations are exempted from payment of Income Tax on the interests earned on the Fixed Deposits kept at Banks. The Order says the interests earned on the Fixed Deposits cannot be treated as an income of the Assessee as the Interest is earned out of the money given by the Government for the purpose of implementation of the Schemes/projects.

The Corporation has submitted the proposal for Exemption of Income Tax on the interest earned on the Fixed Deposits before the IT Authorities with the said IT Tribunal & High Court Orders Dated : 24.07.2015 & 09.01.2009 respectively.

As per CBDT norms, the IT payments should be up-to-date to consider any exemption proposal. If any IT dues/penalties are pending, the proposal will not be finalized.

The Board recalled that this issue has been discussed at length. Views of the Tax Auditors as obtained in the previous Board Meeting were explained. Managing Director briefed the Board as the claims of the IT Department on the interest earned by the Company, although the interest arose only out of the surplus funds granted by the Government to the Company.

During the audit of accounts by AG (E&RSA) from 31.12.2008 to 31.03.2013, it is observed that the Central Government has amended the provisions of the Income Tax Act by inserting sub-clause 46(2) section 10 of the Income Tax Act, 1961 with respective effect from April 2008. As a result of the said amendment, any specified Income arrived by the assessee or institution which has been established or constituted by Central, State or Provincial Act, or constituted by the Central or State Government with the objective of regulation or administering any activity for the benefit of the General Public, and also which is not engaged in any commercial activities and is notified by the Central Government in the Official Gezette, for the purpose of this clause, is exempted from the Income Tax.

After in depth deliberations, the Board unanimously approved by respecting the IT claims, reserving the right to seek refund and under strict protest, accorded

the permission to pay the IT Arrears with Interest and penalties so as to avoid the Interest @ 1 per cent/ month on the IT outstanding under Section 234A of IT Act.

ITEM NO.11: RATIFICATION OF EXPENSES INCURRED FOR SUPPLY OF MATERIALS / OFFICE EQUIPMENTS / STATIONERY, ETC., TO THE MINISTER'S OFFICE & OFFICE OF THE HOME OFFICE OF MINISTER FOR REVENUE AND SKILL DEVELOPMENT, LIVELIHOOD & ENTREPRENEURSHIP, GOK:

The Board noted the following:

As per the instructions from the PS and OSD at O/o the H'ble Minister for Revenue & Skill Development, GoK, the required Stationery Items, Office System, Printers, Xerox Machine/Attachments, Computer Consumables, Meeting expenses, etc., are all be borne by KPLC. For the year 2018-19, till date around Rs. 3.07 Lakhs have been incurred for the supply of Office Equipments/Systems & Rs. 0.92 Lakhs have been incurred towards Stationery & Meeting expenses, etc.

The Board ratified the above.

ITEM NO.12: SEEKING APPROVAL FOR KEEPING FIXED DEPOSITS:

The Board deferred the matter

ITEM NO.13: SEEKING DEPUTATION OF SURVEYOR TO KPLC FROM DEPARTMENT OF SURVEY SETTLEMENT AND LAND RECORDS:

The Board was briefed as under:

Earlier one Surveyor was deputed on OOD basis from Department of Survey Settlement and Land Records from 12.10.2010 to 04.07.2011 as per the request of Task Force. Now fresh Surveyor posts have been filled up at Department of Survey Settlement and Land Records. The post of 1 Surveyor is required to take care of the Survey of the lands which are under litigation, complaints, etc., and also to monitor the Survey and Boundary fixing for the Lakes, etc.

Managing Director was requested to consult the Commissioner, Department of Survey Settlement & Land Records, Bengaluru and was authorized to seek deputation on OOD basis/on Contract basis.

ITEM NO.14: ADOPTION OF CADRE & RECRUITMENT (C & R) RULES IN THE COMPANY:

The Board noted the following:

The 5th Board Meeting held on 27.03.2010 has approved the required man power / post / strength at KPLC. As per the Govt. Order No. RD 518 LGB 2008, Dated: 23.01.2009 has sanctioned 7 Posts initially to KPLC. Thereafter no proposals have been submitted to GoK. As the Company is registered under the Companies Act, 1956/2013 as a separate legal entity, it is necessary to have its own C & R rules and regulations. A separate note will be placed before the Board after preparing the C & R rules and regulations by a Constituent Committee.

It was proposed to constitute a Sub-Committee to frame C & R Rules and Regulations.

After due deliberations, the Board constituted the following Sub-Committee with the power to frame C & R Rules and proceed further:


- | | |
|------------------------------------|------------|
| 1. Regional Commissioner | - Chairman |
| 2. Managing Director | - Member |
| 3. Nominee from Finance Department | - Member |

Chairman confirmed that requisite quorum was present throughout the Meeting.

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

Place: Bengaluru
Date: 29.10.2018


(Manoj Jain, IAS)
Managing Director


(Dr. Rajkumar Khatri, IAS)
Chairman