

Minutes of the 187th Meeting of the Board of Directors of the Company held on 2nd December 2011 at 11.00 a.m. at the Registered Office of the Corporation.

PRESENT:

Name and designation	
Shri. A.R. Krishnamurthy	Hon'ble 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. Nagaraj Chavan Managing Director, Karnataka Thanda Development Corporation Ltd.,	Director
Shri. M.A. Hussain, Dy. Secretary, DPE, Govt. of Karnataka	Director

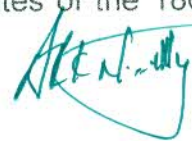
Shri. K.S. Mruthyunjaya, Managing Director of the Corporation extended warm welcome to the Hon'ble Chairman of the Corporation Shri. A.R. Krishnamurthy, the Principal Secretary to Government Shri. E. Venkataiah, IAS, Directors and other invitees to the meeting.

Welcoming the Directors to the meeting, the Chairman ascertained that requisite quorum was present and called the meeting to order.

Leave of absence was granted to the Commissioner, Social Welfare Department, Addl. Secretary to Government, Finance Department and the Nominee Director from Government of India and the CMD of NSCFDC.

Item No.1 – Noting of Minutes of the 186th meeting of the Board held on 13.09.2011.

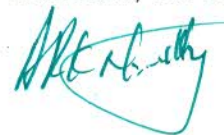
The Managing Director informed that the minutes of the 186th meeting was circulated to all the Directors and no comments have been received from any of the Directors. The Board noted and confirmed the minutes of the 186th meeting held on 13th September 2011 without any change.



Item No.2 – Report on the action taken on the decisions of the 186th meeting of the Board held on 13.09.2011.

The Managing Director explained the action taken on the decisions/directions of the Board in the previous meeting held on 13.09.2011. During the course of review, the following observations/deliberations were made:

Sub. No. of 186 th meeting	Subject matter	Deliberations
186.4	Absorption of services of Mr. M.S. Paramesh, Superintendent on deputation from NGEF.	The Managing Director referred to the directions of the Board in the previous meeting and presented a detailed note on the facts of the case and the order of the Hon'ble High Court of Karnataka. He also explained the opinion given by the Legal Advisor to comply with the directions of the Court. The Board after detailed discussion advised the Managing Director to comply with the orders of the High Court and issue orders for absorption of Mr. M.S. Paramesh in the Corporation and take action as per the legal advice.
186.5	Approval of applications for micro credit under Women Development Programme-I for the year 2010-11.	The MD referred to the observations made by the Chairman in the previous meeting and directions of the Board and presented the information on the no. of additional applications approved under the scheme in excess of targets by the management during the year 2010-11. The Principal Secretary queried whether such additional applications were recommended by the Selection Committee and whether requisite subsidies from local bodies have been sanctioned for these cases. The Board expressed serious concern on the manner in which the approvals were given and directed the Managing Director to issue show cause notices to the concerned MD/GM/DGM/Office Superintendent/Case Worker for processing the files. However, for the



cases where subsidy is received and selection is made by the concerned MLA Committee and fulfilling the eligibility criterion, the loan may be released. Further, it is also decided not to consider the sanction where subsidy is not received and without the approval of the sub-committee.

Item No.3 – To note appointment of Shri. K.S. Mruthyunjaya as Managing Director of the Corporation.

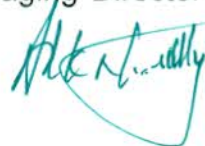
The Board noted that Shri. K.S. Mruthyunjaya has been appointed as Managing Director of the Corporation by the Government of Karnataka vide its order No. SWC:86:SDC:2011 dated 25.08.2011 and that he assumed charge on 14.09.2011.

Item No.4 – Returning of Rs. 1,56,53,557/- to Backward Class Development Corporation out of the advance amount refunded by M/s. Karnataka Agro Industries Corporation Ltd.

The Managing Director informed that the Corporation has received a sum of Rs. 2,95,82,889/- from M/s. Karnataka Agro Industries Corporation Limited as refund of advance made for drilling of bore-wells and supply of accessories. Out of which a sum of Rs. 1,56,53,557/- is due to Backward Class Development Corporation and the remaining balance shall be used against the Chairman's discretionary quota as approved by the Board earlier. The Board considered the proposal and approved to return Rs. 1,56,53,557/- due to Backward Class Development Corporation. The Board also advised the MD to pursue on the payment of interest as agreed by M/s. Karnataka Agro Industries Corporation Ltd.

Item No.5 – Computerization of operations of the Corporation:

The Managing Director explained the action taken on computerization of operations of the Corporation and the discussions had with M/s. NIC. The Board reiterated the need for immediate computerization and to introduce custom made software for effective operation and DCB review and agreed to the proposal in principle. In addition, the Board also advised the MD to take guidance from the e-governance cell in the Government in this regard as the rate quoted by NIC of Rs. 22.50 lakhs appears to be on the higher side. The Principal Secretary advised to arrange for a discussion with M/s. NIC and for a detailed presentation of the software and hardware solution offered by them. The Board endorsed the views expressed by the Principal Secretary and directed the Managing Director to arrange for a meeting with the team of the NIC.



Item No.6 – To provide assistance under dairy scheme to ex-employees of BGML in Kolar and Chickaballapur Districts under special package.

Considering the enhancement of Unit Cost for the dairy scheme to Rs.58,500/- made by the Government and the availability of subsidies sanctioned by the Central and State Governments on the basis of the old unit cost of Rs. 35000/-, the Board noted the difficulty in implementing the scheme to all the beneficiaries. Referring to the successful implementation of dairy scheme by University of Agricultural Sciences with a cost of Rs.22500/-, the Board advised the Managing Director to consult the Professor in charge of the Scheme in UAS and implement the scheme by providing one Cow within the available subsidy amount, keeping in view of the interests of the beneficiaries.

Item No.7 – Providing of 2 High breed cows under the new unit cost of Rs.58,500/ (increased from Rs.35000/-)-

The Board noted that the unit cost under the dairy scheme for two cows has been raised from Rs. 35000/- to Rs. 58,500/- as per the G.O. no. SWD:53:SDC:2011 dated 09.08.2011 and accordingly for 1500 units planned during 2011-12 out of the subsidy of Rs. 375 lakhs available. The Board also noted that LOI from NSCFDC for term loans amounting to Rs. 300.00 lakhs has been received and sanction for Rs.158.63 lakhs is required. The Board after deliberations advised to implement the programme for 1500 units under the new scheme and to provide the term loan facility for the balance amount of 158.63 lakhs out of the funds made available by the Government of Karnataka subject to the condition that the second cow will be provided only if the assistance for the first cow is properly utilized and repayment is regularly made.

The Board also concurred with the views expressed by the Principal Secretary to work out scheme for providing calves and sheep breeding which has lesser unit costs.

Item No.8 – To increase the unit cost from Rs. 35000/- to Rs. 58500/- to the 1000 beneficiaries of Chamarajanagar under the direct loan scheme.

The Board noted that additional subsidy of Rs. 150 lakhs and term loan of Rs. 125.75 lakhs are required to implement the scheme under the new unit cost. Considering the cost of animal and availability of funds, the Board advised to provide one cow with a cost not exceeding Rs. 35000/- which is within the new unit cost.

Item No. 9 – Implementation of NSCFDC sponsored loan for higher education

The Chairman referred to the decision taken in the previous meeting and explained the need to implement the scheme in respect of applications already


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