

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub : Contribution to share capital of NABARD Financial Services Ltd., Bangalore for the year 2011-12 - Reg.

- Read : 1) Government Order No. AMD 154 AML 98, Bangalore dated 31-03-1999 of Agriculture and Horticulture Department.
- 2) Cabinet Approval Subject No: C 571/2010 dtd. 16-11-2010.
- 3) GOVERNMENT ORDER NO. RDP 12 PBS 2010, BANGALORE, Dated : 01-02-2011
- 4) GOVERNMENT CORRIGENDUM NO.RDP 12 PBS 2010, BANGALORE, Dated : 19-02-2011
- 5) D.G.M., NABARD Financial Services Ltd., Bangalore Ltr. No. NABFINS/28/F1/2010-11 dated 12-05-2011.
- 6) Finance Dept., No ೮೪ 12 ಸಾಂಹಲ 2010 ದಿನಾಂಕ 25-07-2011

PREAMBLE :

Government of Karnataka has invested ₹ 36.00 lakhs in the share capital of Karnataka Agri Development Company Limited in 1999 as per read (1). Name of the company has been subsequently changed as NABARD Financial Services Limited (NABFINS). NABFINS is a subsidiary of NABARD registered under Companies Act 1956 and with Reserve Bank of India (RBI) as a non-banking finance company. It is a subsidiary of NABARD and NABARD will be major promoter holding not less than 51 % of the equity. Other current share holders are Government of Karnataka, Canara Bank, Federal Bank and Dhanalakshmi Bank. The capital of the Company is currently ₹ 6.31 crores.

NABFINS is now focused on providing financial services for micro-finance and Agri Rural Livelihoods. The business activities include lending to Self Help Groups (SHGs), Micro Finance institutions (MFIs) and organizations that serve the disadvantage sections of the society viz., Artisans, Small and Marginal Farmers etc. NABFINS is able to provide loans to SHGs at a very low rate of interest at 12 % on reducing balance basis.

The Company's Board has approved a business plan for increasing the lending activities substantially to reach up to ₹ 300 crores in the next three years. In order to support this growth, the company at its 13th Annual General Body Meeting approved the proposal to increase the paid up capital to ₹ 31.31 Crores from the present level of ₹ 6.31 crores.

NABFINS had requested the Government of Karnataka to contribute ₹ 10.00 crores as additional share capital which will help the company to meet the critical requirement of funds for scaling up of lending activities in Karnataka. Accordingly, Government had agreed to contribute ₹ 10.00 crores as per Read (2) and released ₹ 5.00 Crores in read (3). The Deputy General Manager, NABFINS, Bangalore in read (5) again requested the

Government to release balance amount of ₹ 5.00 Crores. The Finance Department, Government of Karnataka has concurred to release; further an amount of ₹ 5.00 Crores under Head of Account 4515-00-800-0-05-059 to be released to NABARD Financial Services Limited (NABFINS) No.190, Rashtriya Vidyalaya Road (Near Vijaya College), Bangalore - 560 004 for the current year, hence the Order:

GOVERNMENT ORDER NO. RDP 12 PBS 2010, BANGALORE,
Dated : 22-11-2011.

Sanction is hereby accorded to release the balance amount of ₹ 5.00 Crores (₹ FIVE CRORES only) towards the equity share capital to NABARD Financial Services Limited (NABFINS), No.190, Rashtriya Vidyalaya Road (Near Vijaya College) Bangalore - 560 004.

The expenditure is debitable to the Head of Account "4515 Capital Out lay on other Rural Development Programmes-00-800 other expenditure-0-05 NABARD Financial Services Limited (NABFINS)-059 other expenses". (4515-00-800-0-05-059).

The Managing Director, NABFINS shall sign the payees receipt to be countersigned by the Director (SEP), RD & PR Department, Bangalore and the Deputy Director (SEP), Rural Development & Panchayat Raj Department shall draw the amount by presenting it to State Huzur Treasury, Bangalore & deliver the financial instrument to the NABFINS under acknowledgement.

The NABFINS shall issue Share Certificates in the name of Governor of Karnataka.

This order is issued with the concurrence of Finance Department vide U.O. Note No. 32 ಸಂದರ್ಭ 2010 ದಿನಾಂಕ 25-07-2011.

By Order & in the name of the
Governor of Karnataka

(Amita Prasad)

Principal Secretary to Government,
Rural Development & Pan. Raj Dept.,

To,

The Complier, Karnataka Gazette is requested to issue this Order in the next issue

Copy to :

- 1) The Account General, Bangalore (Audit and Accounts)
- 2) Managing Director, NABARD Financial Services Limited (NABFINS), No.190, Rashtriya Vidyalaya Road (Near Vijaya College) Bangalore - 04.
- 3) Special Officer (Banking) & E/o Deputy Secretary (NABARD), M.S. Buildings, 5th Stage, Bangalore.

- 4) The Joint Director, State Huzur Treasury, New Public Office Building, N.T. Road, K.R. Circle, Bangalore - 560001 with a request to Honour the payees receipt.
- 5) The Principal Secretary to Government, Planning, Programme, Monitoring and Statistics Department, M.S. Building, Bangalore.
- 6) The Principal Secretary to Government, Agriculture & Horticulture Department.
- 7) The Principal Secretary to Government, Finance Department, Bangalore
- 8) P.S to Hon'ble Chief Minister, Vidhana Soudha, Bangalore.
- 9) P.S. to Hon'ble Minister for Rural Development & Panchayat Raj
- 10) P.S to Chief Secretary to Govt., Vidhana Soudha, Bangalore
- 11) P.S to Addl. Chief Secretary to Govt., & Development Commissioner, Vidhana Soudha, Bangalore.
- 12) P.S to Principal Secretary to Govt., RD & PR Dept.,
- 13) P.S to Secretary to Govt., RD & PR Dept.,
- 14) IFA, RD & PR Dept.,
- 15) The Editor, Karnataka Vikas, RD & PR Dept.,
- 16) Special Officer, Computer Cell, RD & PR Dept
- 17) Guard File / Spare Copies

Government of Karnataka has invested ₹ 30.00 lakhs in the capital of Karnataka Agri Development Company Limited in 1975 as per para (1). Name of the company has been subsequently changed as KARNATAKA Financial Services Limited (KARNFIN). KARNFIN is a subsidiary of KARNATAKA registered under Companies Act 1956 and with Reserve Bank of India (RBI) as a non-banking finance company. It is a subsidiary of KARNATAKA. KARNATAKA will be major promoter holding not less than 51 % of the equity. Other current share holders are Government of Karnataka, Central Bank, Federal Bank and Dharmashakti Bank. The capital of the company is currently ₹ 6.31 crores.

KARNFIN is now focused on providing financial services for rural finance and Agri Rural Livelihoods. The business operations include leading of Self Help Groups (SHGs), Micro Finance, etc. KARNFIN and organizations that serve the disadvantaged sections of the society viz., Artisans, Small and Marginal Farmers etc. KARNFIN is also to provide loans to SHGs at a very low rate of interest at 12 % as against 18 % earlier.

The Company's Board has approved a business plan for increasing the lending activities substantially to reach up to ₹ 200 crores in the next three years. In order to support this growth, a company as per RBI's General Body Meeting approved the proposal to increase the capital to ₹ 31.21 crores from the present level of ₹ 6.31 crores.

KARNFIN had requested the Government of Karnataka to increase the capital by ₹ 25.00 crores as additional share capital which will help the company to meet the capital requirement of funds for lending to the rural sector of Karnataka. Accordingly, Government had agreed to increase the capital as per para (2) and released ₹ 25.00 crores to KARNFIN. The General Manager, KARNFIN, Bangalore is to be paid ₹ 10000/- as per para (3).