

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: **Setting up of- Karnataka Udyog Mitra - Orders there on -**

Read: 1. G.O- No. CI 69 SPC92, dated 22-5-1992.
2. D.O. letter No. Karnataka Udyog Mitra/Director/92/TECSOK/CA/574 dt. 19.06.1992
3. D.O. letter No, CI 69 SPC 92 dated : 24.08.1192 of Additional Secretary, Commerce & Industries Department.

PREAMBLE

Vide Government Order referred at (1) above Government had approved establishment of an agency under the name and style of Karnataka Udyog Mitra to provide escort services to industrial entrepreneurs, particularly In the Medium a Large Industrial Sector. The Government had taken all actions necessary for registration of the society after formulation of suitable articles and memorandum of association, by-laws etc.. to meet the objectives set forth in the Government Order] referred at (10 above, the Director of Industries & Commerce, vide his D.O. letter referred at (2) above, has forwarded the draft memorandum of association and rules and regulations of the Karnataka Udyog Mitra for Government's approval. Vide D.O. letter referred at (3) above certain views of the Government were communicated to the Director of Industries and Commerce.

ORDER NO, CJ 69 SPC 92, BANGALORE DATEQ 17TH SEPTEMBER 1992

In the circumstances explained in the preamble portion of the G.O., Government are pleased to approve the Memorandum of Association and Rules & Regulation of the Karnataka Udyog Mitra as appended to this Government Order. The Director of Industries and Commerce shall take necessary action to have the society registered under the Societies Registration Act to ensure that the Agency starts functioning at the earliest.

BY ORDER & IN THE NAME OF THE
GOVERNOR OF KARNATAKA
SD/-
(T.R. RENUKA ARADHYA)
Under Secretary to Government (ID)
Commerce & Industries Department

MEMORANDUM OF ASSOCIATION

1. Name of the Society

The name of the Society shall be. "Karnataka Udyog Mitra (KUM)"

2. Place at which registered office of the Society is to be situated:

The Registered Office of the Society shall be situated at Bangalore.

Address: No.49, 3rd Floor, South Wing. Khanija Bhavan, Race Course Road. Bangalore - 560 001.

3. Objectives of the Society

The objectives of the Society are:

- i. To extend escort services to all investors, entrepreneurs interested in industrial investment in the State of Karnataka.
- ii. To provide Secretariat services to SLSWCC/SHLCC at the State Level by guiding the entrepreneurs in filling up application forms, processing the same and forwarding the completed applications to the Member Secretary of the SLSWCC/SHLCC for placing the same before the SLSWCC for suitable decisions.
- iii. To monitor the implementation of the decisions taken by the SLSWCC / SHLCC in line with the Karnataka Industrial (Facilitation) Act, 2002 and rules to ensure that various assistances and support provided by State Government departments and agencies accrue to the entrepreneurs within the time frame for smooth implementation of the projects, for which purpose all Government orders issued in this regard will be forwarded to the Managing Director of the Udyog Mitra.
- iv. To serve as a problem solving agency both for existing and new units in all sectors namely, SSI, Medium & Large and help them in getting necessary assistance from the industrial promotion and other related agencies of the state, for which purpose the officers of Udyog Mitra shall visit the districts periodically and understand the problems of local industries and bring it to the notice of the SLSWCC/SHLCC at the State level for suitable decisions.
- v. To provide information to the public in general and investors and entrepreneurs in particular, regarding the opportunities available in the State of Karnataka for industry, trade, commerce and participation therein.
- vi. To disseminate information through mass media by common advertisement and publicity to create and accelerate industrial tempo and bring awareness of facilities and incentives available to entrepreneurs for setting up new industrial units in the State.
- vii. To identify and encourage prospective investors / entrepreneurs and motivate them to establish industrial units in the State of Karnataka.
- viii. To act as a Nodal Agency for Non-Resident Indians and promote NR1 / foreign investments keeping in constant touch with Governmental agencies and promotional bodies.
- ix. To locate and contact prospective investors / entrepreneurs residing within and outside Karnataka as well as those living abroad and to motivate them to set up industrial units in the State by organizing special campaigns, seminars.
- x. To organize, sponsor, associate or participate in any fair, exhibition, celebration or campaign aimed at promotion of industrial development in the State of Karnataka.

- xi. To publish literature in the form of papers, case studies, reports, brochures, pamphlets, periodicals, digests, journals, project profiles, magazines and circulate/distribute to the users viz. prospective entrepreneurs, artisans and other institutions as also assist other institutions engaged in such activities.
- xii. To establish a data bank for documentation maintenance and supply of data on projects, trade and industry and dissemination of the same to Government, institutions, investors and entrepreneurs.
- xiii. To co-ordinate extension of promotional activities of all institutions in economic upliftment and industrial development in the State of Karnataka.
- xiv. To review and appraise the schemes and general atmosphere prevailing in India and Karnataka in particular for industrial development.
- xv. To invest and deal with the funds of the Society for achieving the objectives of the Society.
- xvi. To perform duties and roles suitable in creating to create a conducive atmosphere for industrial development in the State.
- xvii. To perform any other duties and responsibilities assigned by the Governing Council from time to time.
- xviii. To collect and disseminate statistics and other information concerning industrial development & trade in the State of Karnataka and neighboring States / Countries management and development.
- xix. Functions of the Nodal Agency:
 - (1) The functions of Nodal Agency at the State level shall among others includes the following:**
 - a) to carry out investment promotional activities.
 - b) to render necessary assistance in policy formulation for industrial progress,
 - c) to guide and assist entrepreneurs to set up industries in the State.
 - d) to issue combined application form to the entrepreneurs and also to receive the forms from them and to arrange required clearances from departments and authorities within the stipulated time.
 - e) to provide secretarial support to the State High Level Clearance Committee and State Level Single Window Clearance Committee.
 - f) to promote environment friendly and cleaner technologies and production practices,
 - g) to perform any other function as may be entrusted to it by the State Government.
 - (2) The State level nodal agency shall also perform functions referred to in** Sub:- section (1) above and in addition prepare and regularly update an entrepreneurs guide providing complete information particularly relating to,-
 - (i) State and Central Industrial policies,
 - (ii) Procedures to Obtain the required clearance from various departments and authorities.
 - (iii) Information in industrial status and advantage existing in the State.
 - (iv) Salient features of Acts and the rules made there under applicable to an industrial undertaking, and
 - (v) any other information useful to the entrepreneurs.

4. With a view to further and facilitate the Society's activities for achieving its objectives, the Society may:-

- i. Acquire by purchase, lease, exchange, gift, hire or transfer or otherwise any land, building and other property – moveable or immovable including machinery, equipment or assets or interest and to hold, develop, improve and maintain the same towards the achievement of the objectives of the Society;
- ii. Sell, mortgage, let on lease, royalty or tribute grant license and in any other manner grant other rights over the property of the Society, movable or immovable-wholly or partly, for such considerations and upon such terms as may be thought fit;
- iii. Pay out of the funds belonging to the Society, or out of any particular part of such fund, all expenses that are incidental to the formation of the center and management and administration of the Society including all rents, rates, outgoings and the salaries of the employees of the Society;
- iv. draw, make, accept, endorse and negotiate cheques, hundies, promissory notes and deeds as may be necessary;
- v. for the purpose of aforesaid, to sign, execute and deliver such assurances and deeds as may be necessary;
- vi. work, construct and maintain building, works and conveyances of all kinds of suitable for any of the purposes of the Society;
- vii. subscribe or otherwise assist any charitable, benevolent, scientific, national, public or any other center, objectives are purposes of which, are consistent with or which promote the objectives of the Society;
- viii. search for any purpose or otherwise acquire from any Government or other authorities, any licenses, concessions, grants, decrees, rights, power and privileges whatsoever which may seem to the Society capable of being turned to account and to work, develop, carryout, exercise and turn to account the same;
- ix. make donations to such persons or centers or in such cases whether of cash or any other assets, are may be, that are directly or indirectly conducive to any of the Society's objectives, are otherwise expedite and in particular, to remuner any person or Corporation assisting the Society;
- x. receive donations from persons / institutions either in India or aboard in cash or kind which are directly or indirectly conducive to any of the Society's objectives or otherwise expedient.
- xi. engage, retain or employ professional or technical advisors, faculty, consultant, clerical and other staff to assist in the working of the centre and pay such fees, remuneration, honorarium etc., as may be thought expedient and necessary;
- xii. create faculty, technical, administrative, clerical and other posts under the Society and make appointments thereto in accordance with the Rules and Regulations of Society;

- xiii. constitute such committee or committees as may be deemed necessary for the disposal of any business of the Society or for rendering advise on any matter pertaining to the Society;
- xiv. make rules and regulations and bye-laws for the conduct of the affairs of the Society and to add, annual, vary or rescind them from time to time;
- xv. do such other things as may be necessary, incidental or conducive to the attainment of all or any of the objectives of the Society;
- xvi. carry on the above and any other activities capable of being conveniently carried on in connection with the above objectives or calculated, directly or indirectly, to benefit the Society in the promotion and attainment of these objectives, subject to the overall control of the Government and in conformity with Section 3 of the Karnataka Society's Registration Act, 1960;
- xvii. The Income and property of the Society, however derived, shall be applied only towards the promotion of the objects of the society as set forth in this Memorandum of Association. The income of profits, if any, derived by the Society shall not be paid to on distributed among the members;
- xviii. to do all such lawful acts and things either alone or in conjunction with other organizations or persons of the Society which may be considered necessary, incidental or conducive to the above mentioned objectives or any of them.
- xix. The funds of the Society shall be invested in the modes specified under the provisions of section 13(1) (d) r.w.s. 11 (5) of the Income Tax Act, 1961 as amended from time to time.
- xx. There shall be maintained all accounts of the Society regularly. The accounts shall be duly audited by a qualified Chartered Accountant every year, the accounts shall be enclosed by 31st March.
- xxi. No amendments to the Memorandum of Associations / Rules and Regulations shall be made which may prove to the repugnant to the provision of section-2 (15) 11,12, 13 & 80 G of the Income Tax Act,1961, as amended from time to time, further no amendment shall be carried out without the prior approval of the Commissioner of Income Tax.
- xxii. In the event of dissolution or winding up of the Society the assets remaining as on the date of dissolution shall under no circumstances be distributed among the members of the Committee but the same shall be transferred to another Charitable Trust / Society and which whose objects are similar to those of the Trust / Society and which enjoys recognition u/s 80G of the Income Tax Act 1961, as amended from time to time.
- xxiii. The trust formed shall be irrevocable.
- xxiv. The benefits of the Society shall be open to all irrespective of caste, creed or religion.
- xxv. The funds and Income of the Society shall be utilized for achievement of the objects of the Society and no payment shall be made to the members by way of profit, interest / dividends etc.

5. **Governing Council:**

The management of the affairs of the Society shall be entrusted with the Governing Council. The Governing Council shall function and manage affairs of the Society in accordance with the Rules and Regulations in force time to time. The Members of the Governing Council shall be:

- | | |
|---|--|
| 1. Commissioner for Industrial Development & Director of Industries & Commerce, Khanija Bhavan, (East Wing) No.49, 3 rd Floor, Race Course Road, Bangalore 0- 560 001. | 7. The Managing Director, KPTCL, Cauvery Bhavan, Bangalore – 560 009. |
| 2. The Managing Director, Karnataka State Industrial Investment and Development Corporation Ltd., Khanija Bhavan, (East Wing) No.49, 3 rd Floor, Race Course Road, Bangalore 0- 560 001. | 8. The Principal Secretary to Govt., Commerce & Industries Development, Vikasa Soudha, Bangalore-560 001. |
| 3. The Managing Director, Keonics, Race Course Road, Bangalore – 560 001. | 9. The Deputy Secretary to Govt., Finance Department, Vidhana Soudha, Bangalore-560 001. |
| 4. The Managing Director, Karnataka State Financial Corporation, No.1/1, Thimmaiah Road, Bangalore-560 052. | 10. The Managing Director, Karnataka State Pollution Control Board, 45h & 5 th Floor, No.49, Parisara Bhavan, Church Street, Bangalore -560 0021. |
| 5. The Managing Director, Karnataka State Small Industries, Development Corporation, Industrial Estate, Rajajinagar, Bangalore-560 044. | |
| 6. The CEO & Executive Member, Karnataka Industrial Areas Development Board, 14/3A, Nrupathunga Road, Bangalore – 560 002. | |

The above members of the Governing Council shall remain in office by virtue of their having been sponsored by the respective organizations in accordance with Clause 15 of the Rules and Regulations. In addition to the above members, the Governing Council shall have the powers to co-opt any other person or representative of Institutions as Members with prior approval of the Government.

6. The Member Secretary of the Karnataka Udyog Mitra, No.49, 3rd Floor, South Wing, Khanija Bhavan, Race Course Road, Bangalore-560 001, shall be authorised by the Society to receive any communication as may be sent by the Registrar.

RULES AND REGULATIONS OF THE **KARNATAKA UDYOG MITRA [KUM]**

1. Title:

These Rules and Regulations shall be called 'Karnataka Udyog Mitra [KUM] Rules and Regulations 192'.

2. Definitions:

In these Rules and Regulations, unless there is anything repugnant to the subject or context:

- a. "Act" means the Karnataka Societies Registration Act, 1960, (Karnataka Act 17 of 1960).
- b. "Chairman" means the Chairman of the Governing Council.
- c. "Governing Council" means the Governing Council of the Society.
- d. "Government" shall mean the "Government of Karnataka".
- e. "Managing Director" means the Managing Director/M.D./C.E.O. of the Society.
- f. "Society" means the Karnataka Udyog Mitra.
- g. "Meeting" means a meeting of the Governing Council.
- h. "Member" means a members of the Governing Council of the Society.
- i. "Representative of Government" means a Member of the Governing Council in Sl.No.(I) of Clause 5 of the Memorandum.
- j. "Year" means the year ending on the 31st March, as resolved by the Governing Council with the previous sanction of the Registrar.
- k. "Sponsors" shall mean the State Government Undertakings or Departments entitled to nominate or sponsor members on Governing Council.

3. Registered office

The Registered Office of the Society is at No.49, 3rd floor, South wing, Khanija Bhavan, Race Course Road, Bangalore-560001.

4. Authorities of the Society

The following shall be the authorities of the Society

1. The Governing Council.
2. Chief Executive Officer/Managing Director/ED.
3. Such other authorities as may be appointed by the Governing Council.

5. The Governing Council Membership

The Composition of the Governing Council shall be as prescribed in para 5 of the Memorandum of Association. A Governing Council of the Society shall consist, for the time being, the following three categories of Members.

i. "Permanent Members-

Permanent members will be the sponsors of the Society.

ii. Institutional Members –

Institutional members will be three, representing academic bodies, research institutions, corporate bodies, financial institutions, banks and other organizations set up by the Government of India or by the State Governments or other agencies for the purpose of promotion, financing and implementation of any programs which have a bearing on the objectives of the society.

III. Government of Nominee Members –

Government Nominee members will be those whom may be nominated by the State or Central Government, in connection with their contribution, by way of grant or any other form of assistance.

The members nominated by the State or Central Government, in connection with their contribution, by way of grant or any other form assistance.

The members nominated by the State Government shall hold office during the pleasure of the State Government, provided that:

- a) Members appointed by the virtue of their office shall cease to be members when they cease to hold such office;
- b) A member shall cease to hold office if he resign or becomes of unsound mind or he is adjudged an insolvent or is convicted of a criminal offence involving moral turpitude. Governing Council shall be composed of the following members who shall be sponsored by the respective organization;

1. Commissioner for Industrial Development & Director of Industries & Commerce, Khanija Bhavan, (South Wing), No. 49, Race Course Road, Bangalore – 560 001	7. The Managing Director, KPTCL, Cauvery Bhavan, Bangalore-560 009.
2. The Managing Director, Karnataka State Industrial Investment and Development Corporation Ltd., 36, Cunningham Road, Bangalore-560 052.	8. The Member Secretar, Karnataka State Pollution Controal Board, 4 th & 5 th Floor, No. 49, Parisara Bhavana, Church Street, Bangalore - 560001
3. The Managing Director, Keonics, Race Course Road, Bangalore-56001.	9. The Managing Director, Karnataka Udyog Mitra, No. 49, 3 rd Floor, South Wing, Khanija Bhavan, Race Course Road, Bangalore – 560001.
4. The Managing Director, Karnataka State Financial Corporation, No. 1/1, Thimmaiah Road, Bangalore-560 052.	10. The Additional Secretary to Govt. Commerce & Industries Development, MS Building, Dr. Ambedkar Veedhi, Bangalore-560 001.
5. The Managing Director, Karnataka State Small Industries, Development Corporation, Industrial Estate, Rajajinagar, Bangalore-560044	11. The Deputy Secretary to Government, Finance Department, Vidhana Soudha, Bangalore-56001.
6. The CEO & Executive Member, Karnataka Industrial Areas Development Board, 14/3A, Nrupathunga Road, Bangalore-560002	

The above members of the Governing Council shall be the permanent members by virtue of their posts. The Governing Council is also empowered to invite or nominate not more than five additional members on the Governing Council for a maximum period of three years. The said additional members shall be taken up from the following groups of people;

1. Prominent educationalist
2. Representative of Industries' Associations
3. Representative of All India Financial Institutions
4. Representative of Commercial Banks
5. Representative of Promotional Corporations set up by the States.
6. Individuals who have attained eminence through their outstanding contributions in any field.

The members of Governing Council shall not be less than ten and more than fifteen.

6. Meetings

- i) The Society shall hold an Annual General Meeting each year, which shall take place within 6 months of completion of the year or within 18 months of previous Annual General Meeting.
- ii) The business transaction at the Annual General Meeting shall be;
 - a) Confirmation of minutes of the previous General Meeting
 - b) Consideration and approval of the annual report on the management of the Society for the preceding year together with an audited copy of the Balance Sheet, Income and Expenditure statement and the Auditor's Report;
 - c) Appointment of Auditors;
 - d) Consideration of any matters brought before it with the permission of the Chairman.
- iii) The Society shall hold atleast 4 ordinary meetings in a year.
- iv) The Society may also hold special General Meetings whenever the Chairman thinks it necessary to convene or whenever a requisition in this behalf is made as provided in Sub Section (3) of Section 11 of Karnataka Societies Registration Act. 1960.
- v) A. Written notice of every meeting shall be sent to all members either personally or through post to the address of the members as entered in the roll of members. Where the notice is sent by post, due service be presumed if the cover containing the notice properly addressed is posted.
- B. The accidental omission to give notice to or the non receipt of notice by any member or person to whom it should be given shall not invalidate the proceedings of the meeting.
- C. Every notice shall be sent –

- i) In case of Annual General Meeting, not less than 21 days before the date fixed for the last meeting;
- ii) In the case of special General Meeting, not less than 10 days before the date fixed for the meeting.
- vi) Quorum and procedure:
 - a) The quorum for any meeting shall be three permanent members.
 - b) If within half an hour from the time appointed for holding a meeting a quorum is not present, the meeting shall stand adjourned to later hour on the same date or same hour on some other date as the person presiding fixes.
 - c) In the case of special meetings, if within half an hour from the time appointed for holding a meeting a quorum is not present, the meeting shall stand dissolved.
- vii) Every meeting shall be presided over by the Chairman or in his absence the Members present at the meeting shall elect one amongst the, who will preside over the meeting.
- viii) Every member including the Chairman, shall have one vote, every matter shall be decided by a majority of votes. In case of equality of votes in respect of any matter, the person presiding shall have a casting or second vote provided that no decision shall be taken on matters relation go framing or amendment of Rules & Bye-laws or on matters with financial implications in the absence of any representative of the State Government.
- ix) If a vacancy in the office member occurs, the remaining members shall act as if no vacancy had occurred. No action or proceedings of the Governing shall be deemed invalid merely by reason of a vacancy on the Governing Council or a defect in the appointment of a person acting as a member of the Governing Council.
- x) In the event of a dispute as to whether any member is validly appointed or any other dispute relating to the constitution of the Governing Council, the decision of the Chairman of the Governing Council shall be final.

7. Register of Members:

The Society shall maintain a Register wherein the address of the members and their occupation shall be entered. Changes of the address shall be notified by the Member concerned to the Managing Director who shall enter the new address in the Register. If a Member fails to notify his new address, the address in the Register of Member shall be deemed to be his correct address.

8.Resolution of the Governing Council by Circulation

Except where otherwise expressly provided, all resolution of the Governing Council may be passed by circulation from member to member and it shall not be necessary to call the meeting for the purpose

9. Allowance to Members:

Every member may receive travelling and daily allowance to attending meetings, at rates admissible to the member in his/her parent Department/Organization.

10. Powers & functions of the Governing Council:

a) Subject to the provisions of the Karnataka Societies Registration Act, 1960, the Governing Council shall manage the Society so as to promote its objectives. It shall have full powers and authority to deal with all matters, things and deeds, which are necessary and expedient to carry out the said objectives.

b) The Governing Council shall have the power to add, alter or abridge all or any of the objects of the Society consistent with the KSR Act 1960 and subject to approval of the Government.

c) The Governing Council shall also have the power to add, alter or abridge all or any of the objects of the Society consistent with the KSR Act 1960 and subject to approval of the Government.

d) Without prejudice to the generality of the foregoing, the Governing Council shall have the following powers and shall perform the following functions, namely –

- i) The framing of board policies and procedures to carryout the objectives of the business of the Society.
- ii) To make such bye-laws as they may deem essential for the regulation of the business of the Society.
- iii) To consider and sanction budget estimates.
- iv) Sanction of expenditure in accordance with the financial bye-laws.
- v) To invest the funds of the Society in Nationalised Banks and Trusted Committees.
- vi) To borrow money on such terms and conditions as are demand expedient;
- vii) To enter into agreement with any Government or authority, State Municipality, local body, or any person, whatsoever and obtain andy right, privilege, concession and affectually or otherwise for purpose of carrying out the objectives of the Society.
- viii) To pay all cost and expenditure incurred for the promotion, establishment and registration of the Society.
- ix) To prescribe course of study at the Society, add or omit any course therto or therefrom and award degree, diplomas and certificates;
- x) To conduct business and the procedure to be adopted at the meetings pf the Governing Council;
- xi) To maintain the fiancé and the accounts of the Xociety;
- xii) To assign duties and functions to the Managinig Director, other Officers and employees of the Society;
- xiii) To initiate and impose discipline, suspension and dismissal of the officers and employees of the Society;
- xiv) Establishment and maintenance of Pension, Gratuity, Provident Fund or other funds for the benefit of the Officers and employees of the Society;
- xv) Such other matters as may be necessary for the efficient administration and management of the Society;
- xvi) To delegate to any Sub:- committee or officer of the Society such administrative, financial or other powers of the Governing Council as the Governing Council deems proper and also to prescribe limitations within these powers and duties as are to be exercised or discharged and to provide guidelines in that regard.

- xvii) To constitute a Committee consisting of experts to examine and prescribe the qualifications and frame other service conditions for all the employees of the Karnataka Udyog Mitra.

11. Representation of Governing Council in legal proceedings:

Unless the Governing Council decided otherwise, the Managing Director of the Society shall represent the Society in all legal proceedings, whether civil, criminal, revenue or of any other description and shall have the authority to confess, conduct, conduct or defend any suit, complaints or criminal case or any legal proceedings on behalf of or against the Society as also to sign or verify all pleadings, complaints, statements or applications to be filled before the Court, Arbitrator, tribunal or any other authority as the case may be.

12. Power and functions of the Managing Director.

Managing Director shall be wholly responsible for the day to day administration of the Society in line with the objectives of the Society and also shall implement the decisions taken by the Governing Council. The Managing Director shall be empowered by the Governing Council to operate the funds of the society jointly with the accounts officer and incur expenditure for day to day administration of the Society. However, for all expenditure the present financial power are as follows:

1. Chairman – Rs.2.00 lakhs at a time and not exceeding Rs. 15.00 lakhs per month.
2. Managing Director – Rs.50,000/- at a time not exceeding Rs.5.00 lakhs per month, excluding administrative expenses like Salary, Building maintenance, Communication Charges, Vehicle maintenance, Vehicle hire Charges, Vehicle maintenance, Vehicle hire charges, Postage / Courier Charges etc., subject to placing the same before next Governing Council meeting for approval.
3. Circular Resolution – In case of additional / urgent expenditure above Rs. 10.00 lakhs.

13. Officers and Employees:

The Staff of the society shall have the following staffing pattern as per G.O. No. CI 196 SPI 2001 dated: 2-3-2002, issued in connection with Deregulation of Business Environment in Karnataka and the employees of Karnataka Udyog Mitra are as specified in the Government Order detailed below:

- | | |
|----------------------------|------|
| 1. Executive Officer | - 01 |
| 2. Professional Executives | - 10 |
| 3. Officers/Officials | - 06 |
| 4. Group –D/Drivers | - 05 |

14. Appointment of Staff

(i) The appointment of Managing Director / Managing Director / Chief Executive Officer and other officers shall be done by the Governing Council on the recommendation of the Selection Committee constituted by the Governing Council either by deputation from Industrial Development agencies of the State or by direct recruitment.

(ii) Managing Director shall be appointed by the Governing Council with the approval of Government. The Managing Director post shall be for a period of 3 years, extendable subsequently based on satisfactory performance.

(iii) The appointment of other supporting staff shall be done by the Managing Director on the recommendation of the Selection Committee constituted by the Governing Council.

15. Power of delegation

The Managing Director may delegate any of his powers, functions and duties to any senior member of the Staff of the Society with the approval of the Governing Council.

16. Deputation

The appointment of Accounts Officer shall be on deputation either from the Accountant General's office or State Accounts Department.

17. Provisions regarding service conditions

The terms of service, salary, age and superannuation, conduct and disciplinary rules and such other related service matters in respect of persons appointed under the service of the Society shall be governed in accordance with the Rules to be framed by the Governing Council within one year from the date of registration of the Society or as amended from time to time. Till such time, that these rules are framed, the provisions of the TECSOK Service Rules shall, mutatis-mutandis apply to the employees of the Society.

18. Corpus Fund:

i) The Corpus Fund of the Centre shall consist of such amounts as the State Government, Central Government, Karnataka State Financial Corporation, Karnataka State Industrial Investment Development Corporation, Karnataka Areas Development Board or from any other foundation or any other Institutions whether established in India or outside India may contribute or grant for the said purpose.

ii) The Corpus Fund of the society shall be invested or utilized in such manner as may be provided for by-laws made by the Governing Council.

19. Property and Funds:

i) The society shall be the owner of all its properties movable or immovable including

a) The Corpus Fund;

b) Grants, Subsidies, donations and gifts from the Central Government or State Government or local authority or any individuals or body whether incorporated or unit, for all any of the purposes or objects of the Society;

ii) The Governing Council shall be the sole custodian of the properties, movable or immovable and shall manage the same prudently for the purpose of the Society.

20. Application of the Income and Property

The income and property of the Society shall be applied solely towards the promotion of the objects of the Society as specified in the Memorandum of Association and any such expenditure incurred shall be subject to such restrictions as the State Government may from time to time impose in respect of grants or donations made by them

21. Budget and Accounts:

i) The Governing Council shall frame the annual budget estimates for the ensuing year at its meeting held in or around December and shall forward copies to the Government. The budget estimates shall give under the various heads the following information in respect of receipts and expenditure, namely:

- a) The actuals for the preceding year;
- b) The approved estimates for the current year;
- c) The revised estimates for the current year; and
- d) The estimates for the following year.

ii) Money forming part of the funds of the Society shall be deposited in the name of the Society by the Governing Council in a scheduled Bank of India. Withdrawals there from shall only be by cheques signed by such persons or in such other manner as the Governing Council may from time to time authorize or specify.

22. Audit:

The Accounts of the Society shall be audited annually by a Chartered Accountant, appointed by the Governing Council, provided that Government may at any time direct that the accounts be audited by auditors of the State Accounts Department of Government.

23. Reports:

The Governing Council shall submit annually to the Government a report on the working of the Society. Such report shall contain particulars regarding work of the Society during the previous year and shall be accompanied by a Balance Sheet duly audited showing the Income and Expenditure of the Society during the said year.

24. Committees:

The Governing Council may from Committees consisting of members and non members for any purpose it considers necessary on such terms and conditions as it may fix.

25. Dissolution and Winding up:

- i) The Society may be dissolved or wound up with the prior consent of the State Government and in accordance with the provisions of Section 21, 22 and 23 of the Act.
- ii) In the event of dissolution or winding up of the Society, the assets remaining as on the date of dissolution shall under no circumstances be distributed among the members of the Committee or members of the constituents, but shall vest in Government.

No amendment in the Name, Memorandum of Association or Rules regulations of the Society shall be made except in accordance with the provisions of Sections 9 to 10 of KSR Act 1960 and with prior approval of the Government.

For acts, matters and things, which have not been specifically provided for here above, the provisions of the Karnataka Societies Registration Act, 1960 and the Rules frame there under shall apply.