

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.

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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 any 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:

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|----------------------------|------|
| 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.