

**NATIONAL INSTITUTE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(ni-msme)**

Memorandum of Association

- I.) The name of the society (previously known as National Institute of Small Industry Extension Training) shall be the National Institute for Micro, Small and Medium Enterprises **(ni-msme)**
- II) The registered office of the society shall be situated at Hyderabad or at such other place as the Central Government may determine.
- III) The objects for which society is established are promotion and development of micro, small and medium enterprises and enhancement of their competitiveness through the following activities, namely:
 - 1. To establish and carry on the administration and management of National Institute for Micro, Small and Medium Enterprises.
 - 2. To organise and conduct training programmes for enterprise development.
 - 3. To evolve and standardise field-tested strategies and methodologies of developing entrepreneurship to suit the respective locations (urban and rural) and various target groups of individuals, clusters or groups.
 - 4. To conduct and co-ordinate training and research activities for or in collaboration with various institutions and organisations engaged in enterprise development.
 - 5. To identify the need and provide training to the members of various Governments / non-governmental organisations engaged in supporting and promoting Micro, Small and Medium Enterprises.

6. To gather, analyse and process information needed for formulation of policies and implementing programmes related to self employment, entrepreneurship and enterprise development.
7. To identify, design and conduct training and offer consultancy services needed for improving management efficiency, productivity and technology adopted by existing entrepreneurs.
8. To undertake documentation and dissemination of information related to entrepreneurship and (industrial/business) enterprise development.
9. To prepare and publish literature and information material related to entrepreneurship/enterprise development.
10. To provide forum for interaction and exchange of views and experiences and best practices among Government/non-governmental agencies, associations of enterprises and individual entrepreneurs mainly through seminars, workshops, conferences, etc.
11. To study problems and conduct researches to generate knowledge for accelerating the process of enterprise development.
12. To catalyse entrepreneurship, self-employment and establishment of new enterprises.
13. To evolve, design and help use of various media for promoting the culture of entrepreneurship.
14. To organise programmes and undertake consultancy under international cooperation for promotion of Micro, Small and Medium Enterprises.
15. To offer and organize educational programmes in the promotion

of Micro, Small and Medium Enterprises.

IV) For pursuing the objects, the functions of the society shall be:

1. To establish and maintain regional and zonal centers, if necessary, in co-operation with the State Governments concerned.
2. To award certificates, diplomas etc., to participants and prescribe standards of proficiency for award of fellowships, prizes and other forms of recognition.
3. To accept gifts, grants donations and subscriptions in cash or as securities, property (movable or immovable) for furtherance of the object of the Institute.
4. To maintain an endowment fund and a separate operating account or accounts, and to utilise part or whole of the fund and/or account towards capital and recurring expenditure of the society and to make appropriate investment or to deal with the fund in any other way which the society may deem fit.
5. To purchase, take on lease, or otherwise acquire any land or building wherever situated in India, which may be necessary for the society.
6. To sell, lease, exchange and otherwise transfer all or any properties of the society.
7. To undertake and accept the management of any endowment or trust fund having objects similar to the object of the society.
8. To establish and maintain provident and other benefit funds

for the staff of the society.

9. To create administrative, technical, ministerial and other posts under the society and to make appointments thereto in accordance with the Rules of the society.
10. To create and maintain infrastructural facilities such as building, hostel, etc., for running the Institute's activities.
11. To co-operate with other institutions in and outside the country having objects similar to those of the society by exchange of faculty members, scholars, literature, information, collaboration etc.
12. To raise and borrow money on such security as may be deemed appropriate and to incur other obligations relating to the properties of the society upon such terms and conditions as the society shall think fit and proper and to pay from the funds of the society all expenses that may be incurred in raising funds for the society, including brokerage / commission.
13. To levy and recover affiliation and other fees and charges for the services rendered.
14. To invest the moneys of the society not immediately required in such bonds, certificates or securities as may be authorised under any law or approved in any other manner by the Central Government.
15. To promote, support, take-over, affiliate, amalgamate or merge with any other institution or body having objects wholly or in part similar to those of the society.
16. To print, publish and distribute reports, studies and brochures

and other publications pertaining to the activities of the society.

17. To make rules and bye laws for the conduct of the affairs of the society and to add, to amend, vary or rescind them from time to time.
 18. To do all such lawful things as the society may deem fit for the attainment of all or any of its objects.
- V) The society will maintain accounts and prepare annual statement of accounts including the balance sheet of the society in such a form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor General of India.
 - VI) The society will forward annually to the Central Government the annual report of its activities and the annual statement of accounts of the society certified by a Chartered Accountant to be appointed by the Governing Council, in accordance with the instructions of the Central Government and the Comptroller and Auditor General of India.
 - VII) The society shall constitute a Governing Council and an Executive Committee for the overall management of its affairs and may constitute such other committee or committees as it may deem fit for disposal of any specific business of the Institute or for tendering advice on any matter pertaining to the Institute.
 - VIII) The society may delegate any or all of its powers to the Governing Council of the Institute or to the Executive Committee or any other committee or committees constituted by the Governing council.

IX) The Central Government may appoint one or more persons to review the work and progress of the society and to hold enquiries into the affairs thereof and to report thereon in such a manner as the Central Government may stipulate. Upon receipt of such report, the Central Government may take such action and issue such directions, as it may consider necessary in respect of any of the matters dealt with in the report and the society shall be bound to comply with such directions.

X) Income and property of the society, howsoever derived, shall be applied towards the promotion of the objects as set forth in its Memorandum of Association subject nevertheless in respect of the grants made by the Central Government to such limitation as the Central Government may from time to time impose. No part of the income and property of the society shall be paid or transferred directly or indirectly by way of dividends, bonus or otherwise, by way of profit to the persons who at any time are or have been members of the society or to any of them or to any person claiming through them or any of them:

Provided that nothing herein contained shall prevent the payment in good faith of remuneration to any member of the society or any person in return for any service rendered to the society or for travelling allowance, halting or other similar charges.

XI) The names, addresses, occupation and designations of the founder members of the society to whom the management and affairs of the society were entrusted under section 3 of the Andhra Pradesh (Telangana Area) Public Societies Registration Act, (No. 1 of 1350 Fasli), are as follows:

1. Dr.P.C. Alexander, Chairman
Development Commission
Small Scale Industries, New Delhi.

2. Shri. L.G. Mirchandani
Deputy Secretary
Ministry of Commerce & Industry
New Delhi.

3. Shri. C.V.R. Panikar
Deputy Financial Adviser
Ministry of Finance, New Delhi.

4. Shri C.N. Shastry
Director, Industries & Commerce
Government of Andhra Pradesh, Hyderabad.

5. Shri. P. Narsiah, Director
Small Industries Service Institute, Hyderabad.

6. Shri P.B. Advani, Oceana
Marine Drive, Bombay.

7. Professor A.D. Bohra, Principal Director
Small Industry Extension Training Institute
Yousufguda, Hyderabad.

XII) The names and addresses of the persons, who formed into the society in pursuance of the Memorandum of Association of the society, and held themselves responsible to manage the affairs of the society, are as under:

1. Shri K.V. Venkatachalam
Joint Secretary
Ministry of Commerce and Industry
New Delhi.

2. Shri P.B. Advani
Oceana, Marine Drive
Bombay.

3. Shri R.L. Gupta, Principal
Administrative Staff College of India
Hyderabad.

4. Shri H.D. Shourie
Executive Director
National Productivity Council
New Delhi.
5. Shri. L.G. Mirchandani
Deputy Secretary
Ministry of Commerce & Industry
New Delhi.
6. Shri C.V.R. Panikar
Deputy Financial Adviser
Ministry of Finance, New Delhi.
7. Dr. P.C. Alexander
Development Commission
Small Scale Industries, New Delhi.
8. Shri I.J. Naidu
Secretary to Government of Andhra Pradesh
Department of Industries
Hyderabad.
9. Shri P. Narsiah, Director
Small Industries Service Institute
Hyderabad.
10. Professor A.D. Bohra
Principal Director
Small Industry Extension Training Institute
Yousufguda, Hyderabad.
11. Shri C.N. Shastry
Director, Industries & Commerce
Government of Andhra Pradesh
Hyderabad.

RULES AND REGULATIONS

RULES OF THE NATIONAL INSTITUTE FOR MICRO, SMALL AND MEDIUM ENTERPRISES (ni-msme) 2006

Short Title and Commencement

1. These Rules may be called the ‘Rules of the National Institute for Micro, Small and Medium Enterprises (**ni-msme**), 2006.’
2. These Rules, after adoption by the Society, in supersession of the existing Rules and Regulations of the National Institute of Small Industry Extension Training, registered as a society under the Andhra Pradesh (Telangana Area) Public Societies Registration Act, (No.1 of 1350 Fasli), shall come into force from such date as the Government may notify.

Definitions

3. In these Rules, unless the context otherwise requires:
 - a) “Government” means the Government of India
 - b) “Society” means the society called the National Institute for Micro, Small and Medium Enterprises (**ni-msme**) (previously known as National Institute of Small Industry Extension Training) registered as such under the Andhra Pradesh (Telangana Area) Public Societies Registration Act, (No. 1 of 1350 Fasli), with registration no. 56 of 1962 (Year).
 - c) “Institute” means “National Institute for Micro, Small and Medium Enterprises (**ni-msme**)”.
 - d) “President” and “Vice-President” means the President and Vice President of the society as defined in rule 5.
 - e) “Governing Council” means the body which under Rule 22 (b) is constituted to be the Governing Council of the society.
 - f) “Executive Committee” means the body, which under Rule 37 is constituted to be the Executive Committee of the

society.

- g) “Member” means a member of the Institute admitted as such under these Rules.
- h) “Nominated” means nominated by the Government.
- i) “Director General” means the principal officer appointed by the Government under rule 14(a);
- j) “Secretary” means the Secretary of the society appointed under rule 14(b); and
- k) “Zone or Region” means the area comprising 4 Southern States of India, namely, Andhra Pradesh, Karnataka, Kerala and Tamil Nadu.

Composition of the Society

- 4. The society shall consist of the following members:
 - i) The President and the Vice-President of the society and the members of the Governing Council appointed by the Government.
 - ii) Any other person or persons (including institutions) appointed by the Governing Council.
- 5. The Chairman and Vice-Chairman of the Governing Council shall be the President and Vice-President, respectively, of the society.
- 6. Should any member of the society be unable to or prevented from, for the time being, attending a meeting of the society, the Government shall be at liberty to appoint a substitute to take his place at the meeting of the society. Such substitute shall have all the rights and privileges of a member of the society, including the right to vote at that meeting only.
- 7. The society shall keep a roll of members giving their addresses

and occupations and every member shall sign the roll. If a member of the society changes his address, he shall notify his new address to the Secretary and the entry in the roll will be accordingly changed. If, however, a member fails to notify his new address, the address in the roll of members shall be deemed to be his address.

Duration of Appointment

- 8. (a) Members of the society appointed by the Governing Council shall hold office for such period as may be prescribed at the time of their appointment or at any time thereafter.
- (b) Where a person is appointed as a member of the society by reason of the office or the appointment he holds, his membership of the society shall terminate when he ceases to hold that office or appointment.
- (c) The Government may, without assigning any reason, terminate the membership of any member or the membership of all members, other than ex-officio members of the society. Upon such termination, the vacancies shall be filled in accordance with the relevant provisions of these rules. The members, whose membership is so terminated, shall be eligible for re-appointment.
- 9. A member of the society shall cease to be such a member if he dies, resigns, becomes of unsound mind, becomes insolvent or is convicted of a criminal offence involving moral turpitude.
- 10. The resignation of a member shall be tendered to the society through the Secretary and shall take effect as soon as it is accepted, on behalf of the society, by the President.
- 11. Any vacancy in the membership of the society caused by any of the reasons mentioned in rule 9 may be filled up by the Governing Council.

12. The society shall function notwithstanding any person, who is entitled to be a member by reason of his office, not being a member of the society for the time being and notwithstanding any vacancy in its body, whether by non-appointment or otherwise, and no act or proceedings of the society shall be invalidated merely by reason of any of the above-mentioned events or of any defect in the appointment of any member.

Authorities of the Society

13. The following shall be the authorities of the society:

- i. President of the society;
- ii. Vice-President of the society;
- iii. Governing Council;
- iv. Chairman of the Governing Council;
- v. Vice-Chairman of the Governing Council;
- vi. Executive Committee;
- vii. Director General;
- viii. Secretary/Chief Administrative Officer; and
- ix. such other authorities as may be constituted as such by the Governing Council

Officers of the Society

14. (a) The Director General shall be the principal executive officer of the society. He shall be appointed by the Government on such terms and conditions of service as may be determined by the Government.
- (b) The Director General will be assisted by the Chief Administrative Officer, who shall also be the Secretary of the society, and such other officer as may be appointed by the Governing Council from time to time. The Chief

Administrative Officer shall be appointed by the Governing Council on such terms and conditions as may be determined by the Governing Council.

- (c) No posts of any officer or employee of the society shall be created without prior approval of the Government.

Office of the Society

15. The office of the society shall be situated at Hyderabad or at such other place as the Government may determine.

Meetings of the Society

16. (a) Annual General Meeting of the society shall be held at such date, time and place as may be determined by the President. At such annual meetings, the society shall submit drafts of the annual reports and yearly accounts for discussion and recommendations. The same shall thereafter be adopted and passed by the society with such modifications as may be deemed proper.
- (b) At least one meeting of the society shall be held every year.
17. The President may convene a special meeting of the society whenever necessary to discuss and approve proposals relating to alteration, amendment or extension in the purposes of the society or dissolution or amalgamation of the society, either wholly or partially, with any other society or body corporate:
Provided that no proposal for such alteration, amendment or extension shall be considered by the society unless seventy five percent of the members on the roll of the society are present at the special meeting of the society and the proposal is carried by at least seventy five percent of the votes of members present.
Provided further that no such alteration, amendment or extension or amalgamation shall be effected except with approval of the Government.

18. Every notice calling a meeting of the society shall state the date, time and place at which such meeting will be held and shall be served upon every member of the society not less than fourteen clear days before the day appointed for the meeting.

19. If the President is not present at a meeting of the society, the Vice-President of the society shall be the Chairman of the meeting and if he is also absent, the members of the society shall choose one of the members present to be Chairman of the meeting.

20. (a) One-third of the members of society (any fraction contained in that one-third being rounded off as one) present in person including a substitute appointed under Rule (6), if any, shall form a quorum at every meeting of the society.

(b) if there is no quorum, the meeting may be adjourned for 30 minutes and then the meeting may be held and it will be construed that the quorum is full.

(c) The members may nominate their representatives who are not below that rank of Joint Secretary or of a person next in rank to a member for attending the meeting.

(d) Each member of the society shall have one vote.

21. In the event of an equality of votes, the Chairman shall have a casting or second vote.

Governing Council

22. (a) The affairs of the society shall be managed, administered, directed and controlled in accordance with the Rules and Regulations of the society, by the Governing Council which shall consist of 20 members and the Principal Director as Member-Secretary.

(b) The Governing Council of the society, for the purposes of the Andhra Pradesh Societies Registration Act, 2001 (No. 35 of 2001), shall consist of the following:

1. Union Minister of MSME Chairman (ex-officio)
2. Secretary, Ministry of MSME Vice-chairman (ex-officio)
3. Additional Secretary & Development Commissioner (MSME) Ministry of MSME Member (ex-officio)
4. Additional Secretary & Financial Adviser, Ministry of MSME Member (ex-officio)
5. Joint Secretary, Ministry of MSME Member (ex-officio)
6. Joint Secretary, Ministry of MSME Member (ex-officio)
7. Chairman, Coir Board Member (ex-officio)
8. Chairman and Managing Director, Small Industries Development Bank of India (SIDBI) Member (ex-officio)
9. Chief Executive Officer, Khadi & Village Industries Commission (KVIC) Member (ex-officio)
10. Chairman-cum-Managing Director, National Small Industries Corporation (NSIC) Member (ex-officio)
11. Director, Entrepreneurship Development Institute, Ahmedabad Member (ex-officio)
12. Secretary, Industries Department of the Government of one of the States in the Zone in which the Institute is located Nominated Member
13. Representative (of the rank Chief General Manager or above)

- of a Commercial Bank (preferably lead bank) in the State in which the office of the society is located Nominated Member
14. Representative of one national-level Association of micro, small and medium enterprises (as defined in the Micro, Small and Medium Enterprises Development Act, 2006) Nominated Member
15. Representatives of two State-level
16. Associations of micro, small and medium enterprises (as defined in the Micro, Small and Medium Enterprises Development Act, 2006) Nominated Member
17. Representative of one national-level Association of micro and small women entrepreneurs Nominated Member
18. Representative of one prominent academic or training institution in the field of management education or entrepreneurship development Nominated Member
19. Representatives of two active
20. Micro Finance Institutions of Self-Help Groups engaged in promotion of enterprises in the Zone where the Institute is located Nominated Member
21. Director General of the Institute Member - Secretary
- (c) The duties and functions assigned to the chairman shall, in his absence, be performed by the Vice-Chairman.
23. The Governing Council shall function notwithstanding any person who is entitled to be a member by reason of his office not

- being a member of the Governing Council for the time being and notwithstanding any vacancy in its body whether by the non-appointment by the authority or association entitled to make the appointment or otherwise and no act or proceeding of the Governing Council shall be invalidated merely by reason of any of the above-mentioned events or of any defects in the appointment of any of its members.
24. A member who fails to attend three consecutive meetings of the Governing Council without proper leave of the Chairman shall cease to be a member thereof.
25. (a) Members of the Governing Council shall be nominated by the Government.
(b) The Government may terminate the membership of any member or of all members, other than the ex-officio members, of the Governing Council. Upon such termination, the vacancies shall be filled in by the Government.
26. Every meeting of the Governing Council shall be presided over by the chairman and, in his absence, by the Vice-Chairman and in the absence of both, by a member chosen by the members present at the meeting to preside for the occasion.
27. (a) One-third of the members of the Governing Council (any fraction contained in that one-third being rounded off as one) present in person shall form a quorum at every meeting of the Governing Council.
(b) If there is no quorum, the meeting may be adjourned for 30 minutes and for such an adjourned meeting it shall be construed that the quorum is full.
(c) A member may nominate his representative who is not below the rank of a Joint Secretary to the Government or a person next in rank to the member for attending the meeting.

28. At least one meeting of the Governing Council shall be held every year.
29. For the purposes of rule 28, each year shall be deemed to commence on the first day of April and terminate on the 31st day of March of the following calendar year.
30. The Chairman may himself call or, authorise the Member-Secretary in writing to call a meeting of the Governing Council at any time.
31. Each member of the Governing Council, including the Chairman, shall have only vote and if there be an equality of votes on any question, the Chairman (including the Chairman under rule 26) shall, in addition, have a casting or second vote.
32. Any business, except such as the Governing Council may be general or special order direct to be placed before its meeting, may be carried out by circulation among all its members. Any resolution so circulated and approved by a majority of the members signing shall be as effective and binding as if such resolution had been passed at a meeting of the Governing Council:

Provided that at least two-thirds of the members of the Governing Council (any fraction contained in two-thirds being rounded off as one) shall have recorded their assent to the resolution for it to be so carried by circulation.
33. The Chairman may refer any question, which in his opinion is of sufficient importance, for decision of the Government and such decision shall be binding on the society and its Governing Council.
34. The Chairman of the Governing Council shall have powers to invite any other person or persons to attend meetings of the Council, advise the Council and take part in its discussions. But such other persons shall not be entitled to vote at the meetings.

Functions and Powers of the Governing Council

35. It shall be the function of the Governing Council generally to carry out the objects of the society as set forth in the Memorandum of Association.
36. Subject to the provisions of the Memorandum of Association, the Governing Council shall have the power of management of all affairs and funds of the society and of exercising all powers of the society, including but not limited to:
 - (i) approval of the Annual Budget and Annual Plan of the Institute, taking into account the recommendations of the Executive Committee;
 - (ii) approval and adoption of the Annual Report, Balance Sheet and Audited Accounts of the Institute, taking into account the recommendations of the Executive Committee;
 - (iii) appointment of Auditors of the Institute, taking into account the recommendations of the Executive committee;
 - (iv) approval, amendment and adoption, with prior approval of the Government and on recommendations of the Executive Committee, of the Rules, Regulations and Bye-laws of the Institute;
 - (v) (a) appointment of employees of the Institute, and/or authorising such appointments, in accordance with the relevant Rules and Regulations of the Institute; and
(b) acting as the Disciplinary and/or Appellate Authority for the employees of the Institute, in accordance with the relevant Rules and Regulations;
 - (vi) consideration and approval of proposals of the Executive Committee regarding constitution, from time to time, of adhoc and/or specific sub-committees of the Governing Council, with or without powers to co-opt, for disposal of any specific business of the Institute or advice on any matter pertaining to the business of the Institute;

- (vii) general guidance to the Executive Committee for furthering the objects of the Institute;
- (viii) any matter not specifically entrusted to the Executive Committee; and
- (ix) performance of such other functions and carrying out such duties as may, from time to time, be assigned to it by the Government.

Executive Committee

37. The Executive Committee shall consist of the following namely:

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| 1. Secretary, Ministry of MSME | Chairman |
| 2. Additional Secretary & Development Commissioner (MSME)
Ministry of MSME | Vice-Chairman |
| 3. Additional Secretary & Financial Adviser,
Ministry of MSME | Member |
| 4. Joint Secretary, Ministry of MSME | Member |
| 5. Joint Secretary, Ministry of MSME | Member |
| 6. Representative of a State-level Association of micro and small enterprises in the State in which the office of the society is located. | Nominated Member |
| 7. Representative of an Association of micro and small women entrepreneurs | Nominated Member |
| 8. Representative of an academic or training institution dealing with management or entrepreneurship development | Nominated Member |
| 9. Director General of the Institute | Member-Secretary |

38.(a) A representative of faculty/staff of the society, nominated by the Chairman of the Executive Committee, may be invited to the meetings of the Executive Committee as a 'special invitee'.

(b) The Executive Committee shall meet at least once in every three months.

39. The non-official members of the Executive Committee, at serial nos. 6 to 8 of rule 37, shall be nominated for a period of one year.

Functions and Powers of the Executive Committee

40. (a) The Executive Committee shall meet at least once in three months.

(b) The Executive Committee shall have the following powers and functions, namely:

- (i) consideration of the Annual Budget, Annual Report, Balance Sheet and Audited Accounts and proposal for appointment of Auditors, taking into account the recommendations of the Institute's management, with a view to recommending for approval of the Governing Council;
- (ii) consideration of the Annual Plans and Programmes (including training, research, consultancy, other activities, etc.) of the Institute, taking into account the recommendations of the Institute's management and making recommendations for approval of the Governing Council;
- (iii) giving directions to the management of the Institute on receipt, management and custody of the funds of the Institute and of the properties of the Institute;
- (iv) appointment of the employees of the Institute or authorising the Institute's management for such appointments in accordance with the relevant Rules and Regulations of the Institute and acting as the Disciplinary and / or Appellate

Authority for such employees in accordance with the relevant Rules and Regulations;

- (v) approval of appointment of part-time faculty/consultants of the Institute and the scales of their remuneration or fees, taking into account the recommendations of the Institute's management;and
- (vi) any matter pertaining to the activities of the Institute as may, from time to time, be assigned by the Governing Council.

Functions and Powers of the Chairman and Vice-Chairman

- 41. The Governing Council may, by resolution, delegate to the Chairman and Vice-Chairman such of its powers for the conduct of business as it may deem necessary.
- 42. The Chairman and the Vice-Chairman shall have the authority to review periodically the work and progress of the Institute and to order enquiries into its affairs.

Functions and Powers of the Director General

- 43. The Director General shall prescribe, on behalf of the Council, the duties of all officers and staff of the Institute and shall exercise such supervision and disciplinary control as may be provided under these rules.
- 44. It shall be the duty of the Director General to coordinate and exercise general supervision over all activities of the Institute.
- 45. (a) The Director General shall be ex-officio Member-Secretary of the Governing Council and the Executive Committee.
(b) The Director General shall maintain or cause to be maintained a record of the proceedings of the Governing Council and Executive Committee and shall perform such other duties and exercise such other powers as may be determined by the Governing Council.
- 46. The Director General shall be responsible for the day-to-day

management of the affairs of the society and shall exercise his powers under the direction, superintendence and control of the Vice-Chairman of the Governing Council.

Powers of the Government

- 47. (a) The Government shall have the powers to issue general or specific directions on matters relating to the conduct of business of the Institute, including but not limited to the following:
 - (i) Matters relating to the pay scale and allowances of the employees of the Institute and periodical revision thereof.
 - (ii) Creation of posts and any other matter relating to appointment of the Director General / Director of the Institute or any other member of the faculty or employee, in accordance with the general directions of the Government on appointment of such members of the faculty or employees of autonomous institutions of the Government.
 - (iii) Acquisition and disposal (by any mode, including hiring, leasing, exchanging, etc.,) of immovable or movable property of value/consideration exceeding Rs. 25 lakh, including matters relating to entering into or rescinding corresponding contracts or agreements and appropriate deeds of conveyance.
 - (iv) Calling for reports, documents, papers, etc., periodical or specific, as may be necessary and expedient for assessing performance of the Institute and effectiveness of any of its activities, schemes or projects.
- (b) Directions of the Government shall be binding on the Institute and its Governing Council, Executive Committee or management.

- (c) All directions issued by the Government shall be brought to the notice of the Governing Council and the Executive Committee, as the case may be, at its meeting immediately following the date of issue of such directions.

Funds of the Society

48. The funds of the society will consist of the following:
- (i) Grants made by the Government of India or the Government of any State
 - (ii) Contributions from other sources
 - (iii) Income from investments
 - (vi) Receipts from other sources
49. The bankers of the society shall be the State Bank of India or any other banks as may be decided by the Governing Council. All funds shall be paid into the society's account with the bank(s) and shall not be withdrawn except by such officer as may be duly empowered in this behalf by the Governing Council.

Accounts and Audit

50. (a) The Governing Council shall cause regular accounts to be kept of all its moneys and properties of the society.
- (b) The accounts of the society shall be audited annually by a registered chartered accountant who shall be appointed by the Governing Council on the recommendation of the Comptroller and Auditor General of India. Any expenditure incurred in connection with such audit shall be payable by the society to the auditor. The term of the auditor may be for a period of 4 years and the remuneration payable to the auditor shall be decided by the Governing Council.
- (c) The chartered accountant appointed in connection with the audit of the accounts of the society shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor General of India has in

connection with the audit of Government accounts and, in particular, shall have the right to demand and production of books, accounts, connected vouchers and other necessary documents and papers.

- (d) The result of the audit shall be communicated by the auditor to the Governing Council of the Institute. The auditor shall also forward a copy of the report direct to the Ministry of MSME of the Government.

Annual Report

51. A draft of the annual report and the audited accounts of the society along with the audit report shall be placed before the Governing Council for consideration and approval. Copies of the annual report and audited accounts, as finally approved by the Governing Council, shall be supplied to the members of the society. The proceedings of the society together with the annual report and audited accounts shall be sent to the Government and to the members of the society for information.

Alteration or Extension of the Purpose, Rules and Regulations of the Society

52. Subject to prior approval of the Government, the Governing Council may alter or extend the purposes for which it is established in accordance with the provisions of the Andhra Pradesh Societies Registration Act, 2001 (No. 35 of 2001)
53. Subject to the approval of the Government, the Governing Council shall have the power to make and, from time to time, repeal, alter, amend or vary the rules and regulations of the society for the administration and management of the affairs of the society and for the furtherance of its objects.

Dissolutions of the Society

54. The society shall not be dissolved without prior approval of the Government and on such dissolution the assets of the society shall be dealt with in accordance with the provisions of the Andhra Pradesh Societies Registration Act, 2001 (No. 35 of 2001).