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सरकारी राजपत्र OFFICIAL GAZETTE



सत्यमेव जयते
भारत सरकार
Government of India

संघ प्रदेश दमण एवं दीव प्रशासन

U.T. ADMINISTRATION OF DAMAN & DIU

प्राधिकरण द्वारा प्रकाशित
PUBLISHED BY AUTHORITY

U.T. Administration of Daman & Diu
Department of Industries
District Industries Centre, Daman

NOTIFICATION

REVISED RULES OF MICRO & SMALL ENTERPRISES FACILITATION COUNCIL (MSEFC) UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(27 OF 2006)

No. DIC/DMN/MSEFC/REV.RULES/2016-17/502

Dated : 20/02/2017

In exercise of the powers conferred by Sub-Section (1) read with sub-section (2) of Section 30 read with sub section (3) of the section 21 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), and in supersession of earlier Draft Rules, the Administrator of UT Administration of Daman & Diu hereby makes the following rules for facilitating the working of Micro and Small Enterprises Facilitation Council (MSEFC) :

Particulars

1. Short title and commencement :

- (i) These rules may be called the Daman & Diu Micro and Small Enterprises Facilitation Council Rules, 2016.
- (ii) They shall extend to the whole of the UT of Daman & Diu
- (iii) They shall come into force from the date of their Publication in the Official Gazette of UT of Daman & Diu

Contd./---

2. Definitions : In these rules, unless the context otherwise requires -

- (i) **"Act"** means the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006);
- (ii) **"Arbitration and Conciliation Act"** means the Arbitration and conciliation Act, 1996 (26 of 1996);
- (iii) **"Council"** means the UT of Daman & Diu Micro and Small Enterprises Facilitation Council, established by the Government under section 20 of the Act;
- (iv) **"Chairperson"** means the Chairperson of the Council appointed under clause (i) of Sub-section (1) of section 21 of the Act;
- (v) **"Government"** means the Government of the UT of Daman & Diu, in the Department of Industries/MSME;
- (vi) **"Institute"** means any institution or centre providing alternate dispute resolution service referred to in sub-section (2) and (3) of section 18 of the Act;
- (vii) **"Member"** means a member of the Council;
- (viii) **"MSE"** unit means a micro or small enterprises as per the provision of the Act;
- (ix) **"Section"** means a section of the Act;
- (x) The words and expressions used and not defined, but in the Act shall have the meaning assigned to them in the MSMED Act, 2006.

3. Setting up of the MSEFC

- (i) The Government hereby re-constitute one Micro & Small Enterprises Facilitation Council (MSEFC). However, if the work so demands, it can also set up more MSEFCs exercising such jurisdiction and for such area as may be specified in the Notification.
- (ii) The General Manager, District Industries Centre, Daman shall be designated as Secretary to the Council who can be empowered by MSEFCs to issue notices or orders on behalf of the Council.
- (iii) The fee or processing charges to be paid while filing application to the Council shall be 0.1% of submitted total claim or Rs. 1000/- whichever is higher.

4. Manner of appointment of Chairperson :

The Government shall appoint Director of Industries Department as Chairperson of the Council keeping in view the provisions as exist in Sub-Clause (i) of Clause (1) of Section 21 of the Act. However, another senior officer can also be designated as Director of Industries for a limited purpose of being the Chairperson of the Council.

5. Manner of Appointment of Members of MSEFC

- (i) The MSEFC shall consist of not less than 3 but not more than 5 members, including the Chairperson.

- (ii) Members shall be appointed as per provisions of Clause (ii), (iii) and (iv) of Sub-Section (1) of Section 21 of the Act.
- (iii) A member appointed under clauses (ii), (iii) and (iv) of sub-section (1) of section 21 shall cease to be a member of the council if he or she ceases to represent the category or interest in which he or she was so appointed.
- (iv) When a member of the council dies or resigns or is deemed to have resigned or is removed from office or becomes incapable of acting as a member, the Government may appoint another person to fill that vacancy.
- (v) Any member of the Council may resign from the Council by tendering one month's notice in writing to the Government.
- (vi) The Government may remove any member from office :-
- (a) if he is of unsound mind and stand so declared by a competent court; or
 - (b) if he becomes bankrupt or insolvent or suspends payment to his creditors; or
 - (c) if he is convicted of any offence which is punishable under the Indian Penal Code (Act XLV of 1860); or
 - (d) if he abstains himself/herself from three consecutive meetings of the Council without the leave of the Chairperson, and in any case from five consecutive meeting; or
 - (e) acquires such financial or other interest as is likely, in the opinion of the Government, to affect prejudicially his functions as a member.

6. Honorarium to the Member of the Council

The remuneration, honorarium or fees and any allowances that shall be paid to the member is as follows

- 1) Chairman - Rs. 10,000/- per case
- 2) Member Secretary - Rs. 5,000/- per case
- 3) Other Member - Rs. 3,000/- per case
- 4) Other Officer/
Secretariat Assistant - Rs. 2,000/- per case

7. Procedure to be followed in the discharge of functions of the Council -

- (i) An aggrieved MSE unit can move a reference to the MSEFC having jurisdiction of the area in the format provided as Schedule I of these rules. The reference must have the Udyog Aadhar Memorandum (UAM) number, mobile number and email address of aggrieved MSE unit as provided in Schedule I.
- (ii) Such reference should be attached with fee or processing charges as notified by the Government, vide para 3 (iv) above and with an undertaking from aggrieved MSE unit that it has not moved a reference before the Civil Court on the same dispute.

- (iii) Upon receipt of references from the supplier MSE unit, the Secretariat of the Council shall enter the data in the web portal created for this purpose.
- (iv) After entering the data, acknowledgement of the receipt of reference shall be issued by the Secretariat to the applicant MSE unit through email.
- (v) The Council may examine the reference at preliminary stage to check regarding the fee or competency of MSE unit to file the reference.
- (vi) In case if the reference or the particulars entered in it are not found to the satisfaction of Council, it may return the reference.
- (vii) The Council shall either itself conduct conciliation in the matter or seek the assistance of any institute for conducting the conciliation and if it decides to do so, shall refer the parties to the Institute.
- (viii) The Institute to which the issue is referred makes efforts to bring about conciliation and it shall submit its Report to the Council as soon as possible, usually within 15 days from reference to the Council.
- (ix) Where the conciliation is not successful and stands terminated without any settlement between the parties, the Council shall either itself take up the dispute for further action, i.e, arbitration or refer it to an "institute" for the same.
- (x) If the matter is referred to the institute, the institute shall arbitrate the issue as per the provisions of Arbitration and Conciliation Act, 1996 and refer the award to the Council.
- (xi) The Council after finalising the award, or receiving the award from the Institute shall consider the case and pass appropriate final orders in the matter.

8. Meetings of the Council and Quorum :

- (i) The meeting of the Council shall be ordinarily held after giving seven days notice.
- (ii) However, in case of urgency, it can be called at such short notice as the Chairperson may find suitable.
- (iii) All the notices/communication for the meeting shall be informed to the petitioner including through SMS and email.
- (iv) The Council shall hold regular meetings, at least once in a month.
- (v) The quorum of meeting will be two in case if the number of members is three or four, and it will be three if the number of members is five.

9. Decisions of the MSEFC

- (a) Any decision of the Council shall be made by a majority of its members present at the meeting of the Council.
- (b) Every reference made under Section 18 to the MSEFC shall be decided within a period of ninety days from the date of making such reference.

- (c) The Secretariat shall upload the proceedings of every meeting of the Council on the web portal created for the purpose.
- (d) No application for setting aside any decree, award or other order made either by the Council itself or by any institution or centre providing alternate dispute resolution services to which a reference is made by the Council, shall be entertained by any Court unless the appellant (not being a supplier) has deposited with it seventy-five per cent of the amount in terms of the decree, award or, as the case may be, the other order in the manner directed by such Court.

10. Progress Report

- (i) The Council shall upload the basic information including the annual progress report of the Council on the web portal created for the purpose.
- (ii) The Council shall provide information to the Member Secretary of the National Board for Micro, Small and Medium Enterprises as defined in the Act in the manner and form required from time to time

11. Removal of difficulties

- (i) All the proceeding initiated as per earlier Rules shall continue unabated.
- (ii) If any difficulty arises during the course of implementation of these Rules, the same shall be clarified by the Central Government.

This is issues with the approval of the Hon'ble Administrator, Daman & Diu and Dadra & Nagar Haveli.

By order and in the name of
The Administrator, Daman & Diu and
Dadra & Nagar Haveli, Secretariat, Daman

Sd/-
Dy. Secretary (Industries)
Daman & Diu

Schedule – 1

Format for Reference on delayed payment to MSEFC.....

**To,
The Chairperson
Micro and Small Enterprises Facilitation Council**

.....

Reference : U/s 18 of the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED)

I am authorised representative of M/s..... This firm is a micro/small unit as per the provisions of MSMED Act, 2006. This unit has supplied the goods to M/s....., but it has not been paid as per provisions of Section 15 of the MSMED Act, 2006. I therefore, aggrieved with this unit, wish to file a reference. The information pertaining to the case is as under :

1. Udyog Aadhaar No. (Note-MSME unit can register Udyog Aadhaar on udyogaadhaar. Gov.in (<http://udyogaadhaar.gov.in>))

2. Date of Filing Application (DD/MM/YYYY) :

3. Details of aggrieved MSE UNIT

3.1 Name of Authorized representative :
(authorization to be attached)

3.2 Name of the Unit

3.3 Address (including Pin Code) :

3.4 State :

3.5 District :

3.6 Mobile Number :

3.7 Email :

3.8 Type of aggrieved MSE

Micro

Small

4. Name of Respondent (Buyer) :

4.1 Address (including Pin Code) :

4.2 State :

4.3 District :

4.4 Mobile Number :

4.5 Email :

4.6 Category of Respondent (Buyer) [CPSU/State PSU/.....] :

5. Principal Amount Payable (Rs.) :

6. Interest claimed as on :

7. Fee paid, if any :

7.1 Amount

7.2 Methodology

8 Documents enclosed in support of claim in respect of supply of goods supply or services rendered as referred above :

(i)

(ii)

(iii)

(iv)

I hereby declare that information given above is true to the best of my knowledge. Any information that may be further required, shall be provided immediately before the concerned authority. I further declare that I have not filed/preferred any appeal before any court on the same dispute.

Signature

Name:

Date :

(Authorized Signatory on behalf of aggrieved MSE)