

**Government of Rajasthan**  
**Department of Industries (group-2)**

No. F1(2)Ind./Gr.II/2008

Jaipur, Dated 14 Aug. 2018

**Notification**

In exercise of the powers conferred by section 30 of the Micro, Small and Medium Enterprises Development Act, 2006 (Central Act No. 27 of 2006), the State Government hereby makes the following rules, namely: -

**1. Short title and commencement..-**

- (1) These rules may be called the Rajasthan Micro and Small Enterprises Facilitation Council Rules, 2018.
- (2) They shall come into force from the date of their publication in the Official Gazette.

**2. Definitions.**

- (1) In these rules, unless the context otherwise requires,-
  - (i) "Act" means the Micro, Small and Medium Enterprises Development Act, 2006 (Central Act No. 27 of 2006);
  - (ii) "Arbitration and Conciliation Act" means the Arbitration and Conciliation Act, 1996 (Central Act No. 26 of 1996);
  - (iii) "Council" means the Rajasthan Micro and Small Enterprises Facilitation Council established by the Government under section 20 of the Act;
  - (iv) "Chairperson" means the Chairperson of the Council;
  - (v) "Government" means the Government of Rajasthan;
  - (vi) "Institute" means any institution or center providing alternate dispute resolution services referred to in sub-section (2) and (3) of section 18 of the Act;
  - (vii) "Member" means a member of the Council; and
  - (viii) "Section" means a section of the Act.
- (2) The words and expressions used and not defined in these rules shall have the same meanings assigned to them in the Act.

**3. Secretariat to the Council:**

- (1) The Government may also provide secretariat assistance to the Council established under section 20. It may also designate some official of the secretariat to work as the secretary to the council who can be empowered by the council to issue notices or orders on behalf of the council.
- (2) The Government may provide a legal expert to assist the Council.
- (3) The Secretariat for Council may have its own seal.

**4. Manner of Appointment and Removal of Members**

- (1) The Council shall consist of not less than three but not more than five members, including the Chairperson.
- (2) Members shall be appointed as per the provisions of clause (ii), (iii) and (iv) of sub-section (1) of section 21.

- (3) Member other than Ex-officio Member shall receive such remuneration and other allowances as may be fixed by the State Government, from time to time.
- (4) A Member, other than the Ex-officio Member, shall hold office for a period not exceeding two years from the date of his appointment, if not removed earlier by the Government.
- (5) 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 from which he or she was appointed.
- (6) When a member of the council dies or resigns or is removed from office or becomes incapable of acting as a member, the Government may appoint another person to fill that vacancy for the remaining period of tenure of the council.
- (7) Any member of the Council may resign from the Council by tendering one month's notice in writing to the Government.
- (8) The Government may remove any member from office,-
  - (a) if he is of unsound mind and stands 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 for any offence involving moral turpitude, 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 meetings; 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.

## 5. Procedure to be followed in the discharge of functions of the Council

- (1) Any aggrieved party may move a reference to the Council having jurisdiction of the area in the Form appended to these rules along with proof of payment of fee. The fee shall be such as may be determined by the State Government, from time to time. The reference must have the Entrepreneur Memorandum Part II /Udyog Aadhar Memorandum (UAM) number, mobile number and email address of the aggrieved party.
- (2) Upon receipt of references under sub-rule (1), the Secretariat of the Council shall enter the data in the web portal created for this purpose.
- (3) After entering the data, acknowledgement of the receipt of reference shall be issued by the Secretariat to the applicant through email.
- (4) The Council may examine the reference at preliminary stage to check regarding payment of fee and competency of applicant to file the reference.
- (5) In case if the reference or the particulars entered in it are not found to the satisfaction of the council it may return the reference.
- (6) 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.
- (7) 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 referred to the institute.
- (8) The Council or a Party to the dispute with the approval of the Council, may apply to the court under section 27 of the Arbitration and conciliation Act, 1996.

- (9) 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.
- (10) If the matter is referred to the institute, the institute shall arbitrate the issue as per the provisions of the Arbitration and Conciliation Act, 1996 and refer the award to the Council.
- (11) 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.

## **6. Meetings of the Council and Quorum**

- (1) The Council shall hold regular meetings, at least once a month.
- (2) The meeting of the Council shall be ordinarily held after giving seven days' notice.
- (3) However, in case of urgency, it can be called at such short notice as the Chairperson may find suitable.
- (4) All the notices/ communication for the meeting shall be informed to the all members and parties through by post, SMS or email.
- (5) The quorum of meeting shall be two in case if the number of members are upto four, and it shall be three if the number of members are five.

## **7. Decisions of the Council**

- (1) Any decision of the Council shall be made by a majority of its members present at the meeting of the Council and in case of equality of votes, the Chairperson shall have a casting vote.
- (2) Every reference made under section 18 to the Council shall be decided within a period of ninety days from the date of making such a reference.
- (3) The Secretariat of the council shall upload the proceedings of every meeting of the Council on the web portal created for the purpose.

## **8. Progress Report**

- (1) The Council shall upload the basic information including the annual progress report of the Council on the web portal created for the purpose.
- (2) The Council shall provide information to the Member Secretary of the National Board for Micro, Small and Medium Enterprises established under section 3.

## **9. Removal of difficulties**

If any doubt or difficulty arises during the course of implementation of these rules, the same shall be clarified by the Industries Department, Government of Rajasthan.

## **10. Repeal and saving**

The Rajasthan Micro and Small Enterprises Facilitation Council Rules, 2007 are hereby repealed:

Provided that any action taken under the rules, so repealed, shall be deemed to have been taken under the provisions of these rules.

**By Order of the Governor,**

**(Dr. Samit Sharma)  
Special Secretary**

Copy forward to the the following for information and necessary action:

1. The Director, Printing and Stationary, Rajasthan, Jaipur with request that the superintendent, Govt. Central Press Jaipur may kindly be directed to publish the aforesaid notification in extra ordinary Gazette.
2. Pr. Secretary to the Chief Minister, Rajasthan, Jaipur.
3. Joint Secretary & Additional Development Commissioner, Ministry of Micro, Small and Medium Enterprises, Nirman Bhawan, 7th Floor, Maulana Azad Road, New Delhi-110011
4. P.S. to Industries Minister, Rajasthan, Jaipur
5. Chief Secretary, Rajasthan, Jaipur
6. Additional Chief Secretary, Finance Department, Rajasthan, Jaipur
7. Additional Chief Secretary, Planning Department, Rajasthan, Jaipur
8. Commissioner of Industries, Rajasthan, Jaipur
9. Guard Fil

**Form**  
**(see rule 5(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 and Medium Enterprises Development Act, 2006

I am authorized representative of M/s..... This firm is a micro/small unit as per provisions of Micro, Small and Medium Enterprises Development Act, 2006. This unit has supplied the goods to M/s....., but it has not been paid as per provisions of section 15. 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) (<http://udyogaadhaar.gov.in>) :
2. Date of Filing Application ( DD/MM/YYYY) :
3. Details of aggrieved MSE Unit
  - (i) Name of Authorized representative:  
(authorization to be attached)
  - (ii) Name of the Unit :
  - (iii) Address (including Pin code) :
  - (iv) State :

- (v) District :
- (vi) Mobile Number :
- (vii) Email :
- (viii) Type of aggrieved MSE
  - Micro
  - Small

4. Name of Respondent (Buyer):

- (i) Address (including Pin code):
- (ii) State:
- (iii) District:
- (iv) Mobile Number:
- (v) Email:

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

5. Principal Amount Payable (Rs.):

6. Interest claimed as on:

7. Fee paid, if any:

- (i) Amount
- (ii) 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.

Date:

**Signature.....**

**Name:**

**(Authorized Signatory on behalf of aggrieved MSE)**

**By the order of the Governor**

**(Dr. Samit Sharma)  
Special Secretary to the Government**