



# TAMIL NADU GOVERNMENT GAZETTE

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## Part III—Section 1(a)

General Statutory Rules, Notifications, Orders, Regulations, etc.,  
issued by Secretariat Departments.

### NOTIFICATIONS BY GOVERNMENT

#### MICRO, SMALL AND MEDIUM ENTERPRISES DEPARTMENT

THE TAMIL NADU MICRO SMALL AND MEDIUM ENTERPRISES FACILITATION COUNCIL RULES, 2017.

[G.O. Ms. No. 46, *Micro Small and Medium Enterprises (F)*, 19th July 2017,  
ஆடி 3, ஹேவிளம்பி, திருவள்ளூர் ஆண்டு-2048.]

No.SRO A-34(a)/2017

In exercise of the powers conferred by sub-section (1) of section 30 of the Micro, Small and Medium Enterprises Development Act, 2006 (Central Act 27 of 2006), and in supersession of earlier rules made in SRO A-40 (a)/2006 published at pages 1-4 of Part III – Section 1(a) of the *Tamil Nadu Government Gazette* Extraordinary, dated 8th December 2006, the Governor of Tamil Nadu hereby makes the following rules, namely:-

1. **Short title and Commencement.**—(i) These rules may be called the Tamil Nadu Micro and Small Enterprises Facilitation Council Rules, 2017.

(ii) They shall extend to the whole of Tamil Nadu.

(iii) They shall come into force from the date of the publication in the *Tamil Nadu Government Gazette*.

2. **Definitions.**—In these rules, unless the context otherwise requires.—

(i) “**Act**” means the Micro, Small and Medium Enterprises Development Act, 2006 (Central Act 27 of 2006);

(ii) “**Arbitration and Conciliation Act**” means the Arbitration and Conciliation Act, 1996 (Central Act 26 of 1996);

(iii) “**Council**” means the **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) Section 21 of the Act;

(v) “**Government**” means the Government of Tamil Nadu;

(vi) “**Institute**” means any institution or centre providing alternate dispute resolution service referred to in sub-sections (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 provisions of Act;

(ix) “**Section**” means a section of the Act;

(x) words and expressions used and not defined, but defined in the Act shall have the meanings respectively assigned to them in the MSMED Act, 2006.

**3. Setting up of the Council.**—(i) The Government shall establish four Micro and Small Facilitation Councils at Chennai, Tiruchirapalli, Madurai and Coimbatore.

(ii) The Government may designate the Regional Joint Director of Industries and Commerce, Chennai in respect of the Council in Chennai and the General Manager of the District Industries Centre concerned in respect of Councils in Tiruchirapalli, Madurai and Coimbatore to officiate as the Secretary to the concerned Council, to issue notices or orders on behalf of the Council.

(iii) The Government shall provide a legal expert to assist the Council in each of the four zones *viz.*, Chennai, Tiruchirapalli, Madurai and Coimbatore.

(iv) The Government specifies a sum of Rs.1,000/- (one thousand rupees) per application towards processing charges, to be paid in favour of Regional Joint Director, Chennai for the Council in Chennai and the General Manager, District Industries Centre, concerned in respect of the Councils at Tiruchirapalli, Madurai and Coimbatore, as the case pertaining to the jurisdiction of the Council.

(v) The concerned Council can create a seal showing the jurisdiction of the Council.

**4. Manner of appointment of Chairperson.**—The Government may appoint the Industries Commissioner and Director of Industries and Commerce or the Additional Commissioner, Department of Industries and Commerce, Tamil Nadu as the Chairman for any or all the Councils at Chennai, Tiruchirapalli, Madurai and Coimbatore.

**5. Manner of appointment of members of Council.**—(i) The Council shall consist of five members, including the Chairperson.

(ii) The 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 of the Act 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 stands so declared by a competent court; or

(b) if he becomes bankrupt or insolvent or suspends payment to his creditor; 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 members of the Council.**—The Government may provide remuneration, honorarium or fees that may be paid to the members, as fixed from time to time.

**7. Procedure to be followed in the discharge of functions of the Council.**—(i) An aggrieved MSE unit can move a reference to the Council 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 references should be attached with the fee of Rs.1,000/- (one thousand only) by a Demand Draft as specified in 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 effort to bring about conciliation and it shall submit its report to the Council as soon as possible, usually within fifteen days from the date of 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, 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 a month.

(v) The quorum of the meeting will be three as the number of members is five.

**9. Decisions of the Council.**—(i) Any decision of the Council shall be made by a majority of its members present at the meeting of the Council.

(ii) Every reference made under section 18 of the Act to the Council shall be decided within a period of ninety days from the date of making such a reference.

(iii) The Secretariat shall upload the proceedings of every meeting of the Council on the web portal created for the purpose.

(iv) No application for setting aside any decree, award or other made either by the Council itself or by any institution or centre providing alternative 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 percent 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 proceedings 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 Government.

MANGAT RAM SHARMA,  
Principal Secretary to Government.

## THE SCHEDULE

## FORM

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

To

The Chairperson  
Micro and Small Enterprises Facilitation Council

.....

Reference: Under Section 18 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

I am authorized representative of M/s..... This firm is a micro/small unit as per 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) (<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 :

(Authorized Signatory on behalf of aggrieved MSE)

Date :