

भारत सरकार  
GOVERNMENT OF INDIA



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Part II - Section 3

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केन्द्र-शासित प्रदेश लद्दाख प्रशासन  
ADMINISTRATION OF UNION TERRITORY OF LADAKH

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DEPARTMENT OF INDUSTRIES AND COMMERCE  
LADAKH

Notification

Ladakh, the 29<sup>th</sup> July, 2024

**S.O.64\_** In exercise of the powers conferred by section 30 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), the Administration of Union Territory of Ladakh hereby, makes the following rules, namely: -

**1. Short title and commencement:**

- (1) These rules may be called the **Ladakh Micro and Small Enterprises Facilitation Council Rules, 2024**.

- (2) They shall extend to the whole of the Union Territory Ladakh.
- (3) They shall come into force from the date of their Publication in the Official Gazette of the Administration of Union Territory of Ladakh.

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

- (a) "Act" means the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006, Central Act);
- (b) "Arbitration and Conciliation Act" means The Arbitration Tribunal Act, 1996 (26 of 1996).
- (c) "Council" means the Administration of Union Territory of Ladakh Micro and Small Enterprises Facilitation Council, established by the Administration of Union Territory of Ladakh under section 20 of the Act;
- (d) "Chairperson" means the Chairperson of the Council;
- (e) "Government" means the Administration of Union Territory of Ladakh, in the Department of Industries & Commerce.
- (f) "Institute" means any institution or center providing Alternate Dispute Resolutions Service referred to in sub-section (2) and (3) of section 18 of the Act;
- (g) "Member" means a member of the Council;
- (h) "MSE" unit means a Micro or Small Enterprise as per the provisions of the Act.
- (i) "Section" means a section of the Act;
- (j) The words and expressions used and not defined, shall have the meanings as assigned to them in the Micro, Small and Medium Enterprises Development Act, 2006.

**3. Setting up of the Micro and Small Enterprises Facilitation Council(s):**

- (1) The Administration of Union Territory of Ladakh shall establish at least one Micro and Small Enterprises Facilitation Council (MSEFC). However, if the work so demands, the Administration of Union Territory of Ladakh may set up more council's exercising such jurisdiction and for such area(s) as may be specified in the notification.
- (2) Directorate of Industries & Commerce, Ladakh would provide secretariat assistance to the respective Council.
- (3) Joint Director, Industries & Commerce/General Manager, District Industries Centre (concern) shall work as Secretary to the Council, who can be empowered by the Micro and Small Enterprises Facilitation Council (MSEFCs) to issue notices or orders on behalf of the Council.
- (4) The Administration of Union Territory of Ladakh may provide a legal expert to assist the Council.
- (5) The Administration of Union Territory of Ladakh shall specify fee and/or processing charges to be paid while filing application to the Council.
- (6) The Secretariat for Council shall have its own seal.

#### **4. Chairperson of the Council:**

The Administration of Union Territory of Ladakh shall appoint Director of Industries & Commerce Department, Ladakh as Chairperson of the Council.

#### **5. Members of the Council:**

- (1) The MSEFC shall consist of not less than 3 but not more than 5 members, including the Chairperson.
- (2) Members shall be appointed as per provisions of clause (ii), (iii) and (iv) of sub-section (1) of section 21 of the Act,
  - (i) Under Section 21(1)(ii), Chairman of Chamber of Industries of UT Ladakh shall be included in the council as a member.
  - (ii) Under Section 21(1)(iv), Any member of LAHDC's having knowledge in the field of Industry, Finance, Law, Trade or Commerce can be appointed as member of MSEFC's.
- (3) 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.
- (4) 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.
- (5) Any member of the Council may resign from the Council by tendering his resignation with one month's notice in writing to the Administration of Union Territory of Ladakh.
- (6) The Administration of Union Territory of Ladakh shall remove any member from office: -
  - a) if he/she is of unsound mind and stands so declared by a competent court; or
  - b) if he/she becomes bankrupt or insolvent or suspends payment to his creditors; or
  - c) if he/she is convicted of any offence which is punishable under the Indian Penal Code, 1860 or
  - d) if he/she abstains himself/herself from three consecutive meetings of the Council without leave of the Chairperson, and in any case from five consecutive meetings;
  - e) if he/she acquires such financial or other interest as is likely, in the opinion of the Administration of Union Territory of Ladakh, to affect prejudicially his/her functions as a member.

Notwithstanding anything contained in Rule 5 above, all Members appointed under these Rules, other than the Chairperson, shall hold office for a period not exceeding two years from the date of his/her appointment.

#### **6. Honorarium to the Members of the Council:**

The remuneration, honorarium or fees and any allowances that may be paid to the members shall be at rates as approved/notified by the Administration of Union Territory of Ladakh, if any.

#### **7. Objective:**

To provide a structured mechanism for recovery of dues of a supplier Micro or Small Enterprise (MSE) from any buyer firm or MSE and to deal with the issue of delayed payments as prescribed in Chapter V of the Act.

**8. Procedure to be followed in the discharge of functions of the Council:**

- (1) An aggrieved Micro or Small Enterprise (MSE) unit can move a reference to the Council having jurisdiction of the area in the format provided in Schedule I to these rules. The reference must have the Udyam Registration provided in Schedule 1.
- (2) An aggrieved Micro or Small Enterprise (MSE) shall also simultaneously send a copy of the reference to the buyer or buyers against whom the reference is directed.
- (3) Such references should be attached with fee or processing charges as notified by the Administration of Union Territory of Ladakh as per rule 3(4) above and with an undertaking from aggrieved Micro or Small Enterprise (MSE) unit that it has not moved a reference before any Civil Court regarding the same dispute.
- (4) Upon receipt of references from the Supplier Micro or Small Enterprise (MSE) unit, the Secretariat of the Council shall enter the data in the web portal created for this purpose.
- (5) After entering the data, acknowledgement of the receipt of reference shall be issued by the Secretariat to the applicant Micro or Small Enterprise (MSE) unit through registered post including e-mail & SMS.
- (6) The Council shall examine the reference at preliminary stage to check the fee or competency of Micro or Small Enterprise (MSE) unit to file the reference.
- (7) In case, the reference or the particulars entered in it are not found to the satisfaction of Council, it may return the reference.
- (8) In case, the reference or the particulars entered in it are found to the satisfaction of Council, The Chairperson shall cause the buyer to furnish his detailed response to the reference within 15 days of the receipt of the reference by the buyer or within such further time not exceeding 15 days as he may for sufficient cause, allow.
- (9) The Council shall either itself conduct conciliation in the matter or seek the assistance of any institute for conducting the same and if it decides to do so, shall refer the parties to the Institute. Provided, in case the Council itself decides to conduct conciliation in the matter, the Provision of sections 65 to 81 of the Arbitration and Conciliation Act 1996 shall apply to such reference as if the conciliation was initiated under Part III of that Act.
- (10) If the Council decides to seek the assistance of any Institute for conducting the conciliation such, Institute to which the issue is referred shall make efforts to bring about conciliation between the parties and shall submit its report to the Council as soon as possible, preferably within a period of 15 days from the date of reference or within such time as the Council may stipulate.
- (11) Where the conciliation between the parties does not lead to settlement of the dispute, the Council shall either itself take up the dispute for further action, i.e., arbitration or refer it to an "Institute" for the same. Provided in case the Council itself decides to take up the dispute for further action, the Council shall make an arbitral award in accordance with the section 31 of the Arbitration and Conciliation Act, 1996 and within the time specified in sub-section (5) of section 18 of the Act.
- (12) If the matter is referred for arbitration to an Institute, the Institute shall arbitrate the issue as per the provisions of Arbitration and Conciliation Act, 1996 and refer the award to the Council.

(13) The Council after finalizing the award or receiving the award from the Institute shall consider the case and pass appropriate final orders in the matter.

(14) The provisions of sections 15 to 23 of the MSMED Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

#### **9. Meetings of the Council and Quorum:**

(1) The meeting of the Council shall ordinarily be held after giving seven days prior notice.

(2) In case of urgency, it can be called at such short notice as the Chairperson may find suitable.

(3) All the notices/communications for the meeting shall be communicated to the petitioner through registered post including Short Message Service (SMS) and email.

(4) The Council shall hold regular meetings, at least once a month, when cases are pending before it.

(5) 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.

#### **10. Decisions of the Micro and Small Enterprises Facilitation Council:**

(1) Any decision of the Council shall be made by a majority of its members present at the meeting of the Council.

(2) Every reference made under Section 18 of the Act to the Micro, Small and Medium Enterprises Facilitation Council shall be decided within a period of ninety (90) days from the date of making such a reference.

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

(4) No application for setting aside any decree, award or other order made either by the Council itself or by any institution or center 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 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.

#### **11. 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 as defined in the Act in the manner and form required from time to time.

**12. Removal of difficulties:** All the proceedings initiated as per earlier rules shall continue unabated. If any difficulty arises during the course of implementation of these rules, the same shall be clarified by the Administration of Union Territory of Ladakh in consultation with LAHDC's.

**SCHEDULE-I****(SRO \_\_ of 2022)****Format to reference on delayed payment to MSEFC.****To****The Chairperson****Micro and Small Enterprises Facilitation Council**

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

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. Udyam Registration No..... (Note-MSME unit can register Udyam Registration on [udyamregistration.gov.in](http://udyamregistration.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 Type 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/StatePSU/...]

**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)

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