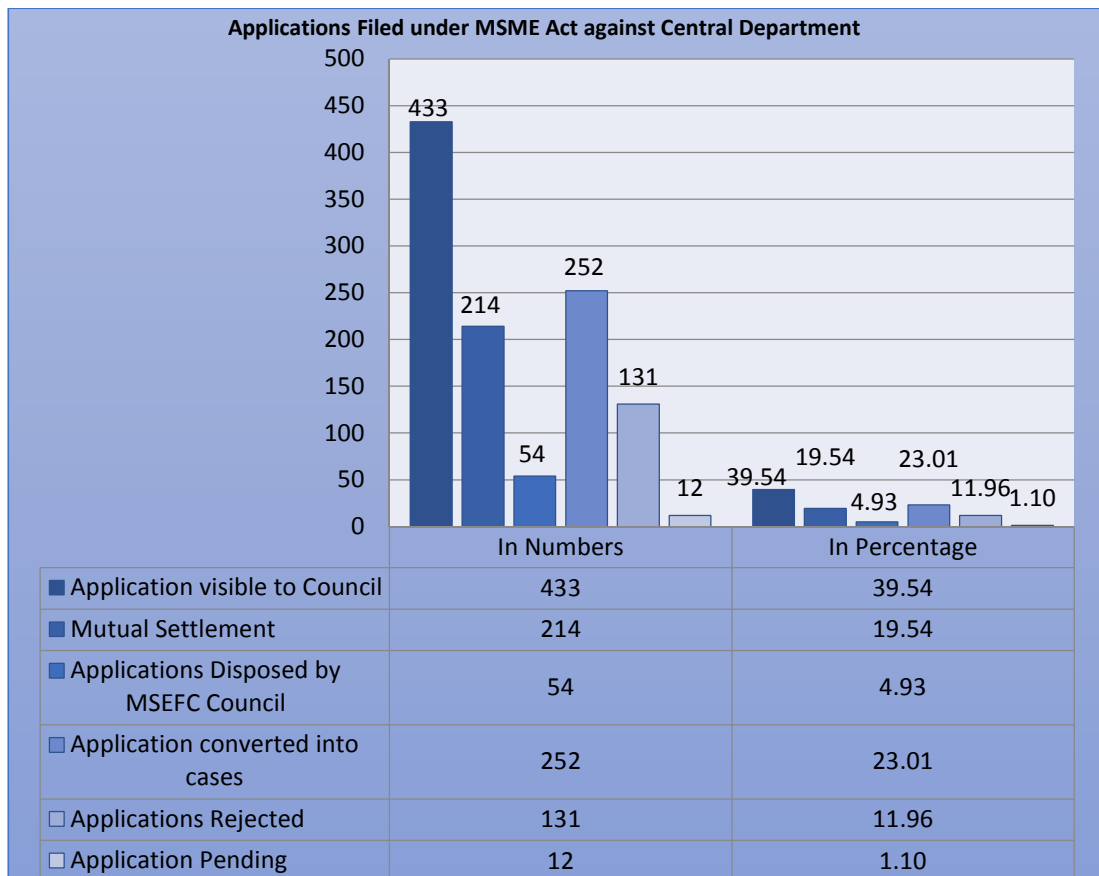


REMEDY AVAILABLE FOR DUES FALLING BETWEEN RS. 1,00,000/- TO RS. 1,00,00,000/- APART FROM INSOLVENCY AND BANKRUPTCY CODE, 2016?

The Government of India vide its notification S. O. 1205(E) dated 24th March, 2020, in exercise of its powers under Section 4 of the IBC Code have raised minimum amount of default from Rs. 1 Lac to Rs. 1 Crore.

NOW... Claim for recovery of dues falling between Rs. 1 Lac to Rs. 1 Crore can be filed under the MSMED Act on **MSME SAMADHAAN** by filing an application before the concerned Micro and Small Enterprise Facilitation Council (“MSEFC”).

STATISTICS OF APPLICATIONS FILED AGAINST CENTRAL DEPARTMENT UNDER MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT (MSMED) ACT, 2006



*Statistics suggests that, it can help an MSME unit if there are claims against **Central Department of Government**. MSME Act claims of lower value/money are being disposed of sooner and mutual settlement is at higher side.*

Whether the Facilitation Council can act both as a conciliator and an arbitrator under Section 18?

In Gujarat State Petronet Ltd v. MSEFC it was held that by virtue of provisions of the Arbitration Act, which bars a conciliator from acting as an arbitrator in the same dispute, is applicable to the

proceedings initiated under MSMED. On the basis of a harmonious reading of both these provisions, the Court held that the Council cannot act as both and it may refer the matter to any centre or institution which provides alternate dispute resolution services.

Thus, once the Council conducts conciliation in a dispute, it is prohibited to act as an arbitrator in the same dispute.

IN CASE OF ANY QUERY-

Please feel free to reach out to us to know more!!!

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Thanks and Regards
Team ~ K. Bagla & Associates
Your Compliance Partner