



W.P.No.14625 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED : 25.07.2025

CORAM :

THE HONOURABLE MRS. JUSTICE N.MALA

W.P.No.14625 of 2025

M/s.Leer Chem India Pvt Ltd.,

Rep by its Authorized Signatory

Mr.P.Prabhakaran, Regd Office No.1A, Old No.96/2,

Anna Salai, Nagalkeni, Chrompet, Chennai – 600 044.

... Petitioner

vs

1.The Chairperson

Micro Small Enterprises Facilitation Council, Chennai Region

The Industries Commissioner and Director of Industries and Commerce, Guindy,
Chennai – 600 032.

2.The Secretary

Micro Small Enterprises Facilitation Council, Chennai Region

Regional Joint Director of Industries and Commerce

Guindy, Chennai – 600 032.

3.The State of Tamil Nadu

Rep by its Principal Secretary

Department of MSME

Fort St.George, Chennai – 600 009.

4.M/s.Flourish Leathers Company



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Rep by its Authorized Signatory

सु. No.3/268 Naskar Street

WEB.COM New Town, Vaniyambadi – 635 752.

... Respondents

Prayer : Writ Petition is filed under Article 226 of the Constitution of India, praying to issue a Writ of Certiorarified Mandamus to quash the MSEFC order dated 23.02.2024 in MSEFC/CR/310/2023 and directing the Council to re-hear the dispute on merits retaining the petitioner's status as “Small” (for continuing “non-tax benefits” for 3 years from upward change) for the relevant periods, in accordance with the MSMED Act, 2006 and the 2002 notification No.4926(E) dated 18.10.2022.

For Petitioner : M/s.A.Hasika

For Respondents : Mr.N.Naveen Kumar, GA.

ORDER

This writ petition has been filed to quash the MSEFC order dated 23.02.2024 in MSEFC/CR/310/2023 and directing the Council to re-hear the dispute on merits retaining the petitioner's status as “Small” (for continuing “non-tax benefits” for 3 years from upward change) for the relevant periods, in accordance with the MSMED Act, 2006 and the 2002 notification No.4926(E) dated 18.10.2022.

2. The learned counsel for the petitioner would submit that the



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Petitioner/M/s.Leer Chem India Pvt Ltd is a Chemical Manufacturer originally registered as “Small Enterprise” under the MSMED Act, 2006, it supplied chemicals to the 4th respondent/M/s.Flourish Leathers Company which did not paid, despite repeated reminders. The learned counsel would submit that the petitioner filed its claim (MSEFC/CR/310/2023) with the Micro and Small Enterprises Facilitation Council (MSEFC), it still qualified as a Small Enterprises. However, in the council meeting held on 23.02.2024, the petitioner had been reclassified as “Medium” and solely on this ground, the MSEFC dismissed the claim for lack of jurisdiction. It is further submitted that the application was filed as the petitioner's company was Small and later reclassified as medium unit under section 24 of MSMED Act and further clarified by Government Notification No.S.O.4926(E) dated 18.10.2022, subsequent reclassification does not extinguish the benefits or remedies that arose when an enterprise was still “Small”. Therefore, the petitioner is entitled to proceed before the MSEFC for its unpaid dues and statutory interest.

3. The learned Government Advocate takes notice for the respondents. The learned Government Advocate would submit that since the unit was small at the time



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of filing the claim before the Micro and Small Enterprises Facilitation Council (MSEFC), which was classified as small enterprises. Subsequently, it has been reclassified as medium enterprises. Hence, the petitioner is not entitled to claim any benefits of MSME rights.

4. Heard the learned counsel for the petitioner and the learned Government Advocate appearing for the respondents and perused the materials available on record.

5. In this case on hand, initially the petitioner's enterprise was small enterprises and thereafter in the Council meeting held on 23.02.2024, the petitioner enterprise had been reclassified as Medium enterprise. Hence, the claim of the petitioner was rejected on the ground of lack of jurisdiction.

6. It is pertinent to note, at the time of filing claim petition, the petitioner enterprise was small enterprise, the petitioner has got every right to claim the MSME benefits. Hence, the impugned order passed by the first respondent is liable to be



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quashed and the same is hereby quashed. Hence, the matter is remanded back to the

first respondent for fresh consideration, after giving notice to the petitioner as well

the opportunity of personal hearing, to consider the documents filed by the petitioner,

on merits, in accordance with law and pass appropriate orders, within a period of

twelve weeks (3 months) from the date of receipt of a copy of this order.

7. With the above directions, this writ petition is disposed of. No costs.

25.07.2025

Speaking order / Non-speaking order

Index : Yes / No

Neutral Citation : Yes / No

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N.MALA, J.

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