



W.A.No.2795 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19.03.2025

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CORAM :

THE HON'BLE MR.JUSTICE S.M.SUBRAMANIAM
AND
THE HON'BLE MR.JUSTICE K.RAJASEKAR

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M/s UGP Engineering Private Limited
rep by its Managing Director
Mr.S.Umapathy
28/10, 3rd Main Road
Ambattur Industrial Estate
Chennai 600 058

.. Appellant

v.

1. M/s BVS Distilleries Private Limited
rep by its Director Mr.B.V.Subba Rao
D.No.5-34/3, Godavaru Village
Kankipadu Mandal
Krishna District, Andhra Pradesh 521 151

2. The Chairperson
Micro and Small Enterprises Facilitation Council
Chennai Region
Industries, Director of Industries and Commerce
A30, Thiru Vi Ka Industrial Estate
Guindy, Chennai 600 032



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3. The Secretary
Micro and Small Enterprises Facilitation Council
Chennai Region
Industries, Director of Industries and Commerce
A30, Thiru Vi Ka Industrial Estate
Guindy, Chennai 600 032

.. Respondents

Memorandum of Grounds of Writ Appeal filed under Clause 15 of the Letters Patent against the order dated 29.09.2023 passed in W.P.No.23032 of 2023.

For Appellant :: Mr.G.Ashokapathy
for M/s Pass Associates

For Respondents :: Ms.Syeda Nadiya for
Mr.G.Muthukumar for R1

JUDGMENT

(Judgment of the Court was made by S.M.SUBRAMANIAM,J.)

Under assail is the order dated 29.09.2023 passed in Writ Petition No.23032 of 2023. The third respondent in the writ petition is the appellant before this Court.

2. The first respondent M/s BVS Distilleries Private Limited instituted writ proceedings challenging the award dated 28.12.2022 passed by the Micro and Small Enterprises Facilitation Council, Chennai Region.



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The ground mainly raised in the writ petition is that conciliation proceeding must be conducted by the Council to resolve the issues between the parties.

In the event of failure, the conciliation proceeding must be closed by recording and passing an order and thereafter, arbitration proceeding under the Arbitration and Conciliation Act must be commenced afresh by affording opportunity to the parties. Proceedings of conciliation cannot be equated with the arbitration proceedings. That apart, the discussions made during the conciliation proceedings cannot be relied upon during the arbitration proceedings, as the conciliation proceedings and arbitration proceedings are distinct and different and independent proceedings are contemplated both under the Act and Rules. That being so, the Micro and Small Enterprises Facilitation Council, on closure of the conciliation proceedings, must record the same and thereafter commence the arbitration proceedings by issuing notice/intimation to the parties and thereafter to proceed in accordance with law. In the present case, since the date of closure and commencement of arbitration has not been done in accordance with the provisions of the Act, the learned single Judge has remanded the matter back to the Micro and Small Enterprises Facilitation Council to



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conduct arbitration proceedings by following the procedures. Since the matter has been remanded for conducting arbitration proceedings by following the procedures, this Court is not inclined to interfere with the findings of the learned single Judge. Accordingly, the writ appeal stands dismissed. No costs.

Index : yes

(S.M.S.,J.) (K.R.S.,J.)

Neutral citation : yes

19.03.2025

ss

To

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Micro and Small Enterprises Facilitation Council
Chennai Region
Industries, Director of Industries and Commerce
A30, Thiru Vi Ka Industrial Estate
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AND

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