



C.R.P.(PD)(MD).No.29 of 2025

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 17.04.2025

CORAM

THE HONOURABLE MR.JUSTICE R.VIJAYAKUMAR

C.R.P.(PD)(MD).No.29 of 2025
and CMP(MD).No.179 of 2025

Encotec Energy (India) Pvt Ltd
Rep.through Authorized Signatory
Prahald Sanjay

.... Petitioner/Petitioner

-VS-

Pearl Enterprises
No.27/17, Palay Road West
Kamaraj Nagar, 3rd Mile
Thoothukudi 628 008

...Respondent/Respondent

PRAYER: The Civil Revision Petition has been filed under Article 227 of Constitution of India, to call for the records in order of return in unnumbered Arbitrations.O.P. Filing No.1739 of 2024 on the file of the learned Principal District and Sessions Court, Madurai and set aside the same as illegal by allowing civil revision petition.

For Petitioner : Mr.K.Sivabalan
for M/s.Aran Legal Consultancy



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ORDER

The present civil revision petition has been filed by the petitioner in unnumbered Arbitration.O.P.Filing No.1739 of 2024 on the file of the Principal District and Sessions Court, Madurai challenging the order of return passed by the concerned Court refusing to number the Arbitration O.P. on the ground that the petitioner has not deposited the mandatory 75% of the award amount passed by the Regional MSE Council, Madurai Region.

2.The learned counsel appearing for the revision petitioner relied upon the proviso to Section 19 of Micro, Small, and Medium Enterprises Development Act, 2006 (Hereinafter called as 'Act') and contended that the Court has got discretionary power to reduce the percentage of deposit depending upon the facts and circumstances of the each case. The petitioner has also filed an application seeking exemption from predeposit of 75%. Without considering the said application, the District Court had returned the Arbitration O.P. Hence, the present civil revision petition.



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3.A perusal of proviso to Section 19 of the Act makes it clear that unless 75% of the award amount of the Micro, Small Enterprises Facilitation Council, Madurai Region is deposited, the Arbitration O.P. cannot be numbered. However, the proviso to the said Section confers discretionary power upon the Court to reduce the percentage of predeposit. The Court has to exercise its discretion to reduce the predeposit depending upon the facts and circumstances of each case. However, the Court has no power to completely exempt the petitioner from depositing any amount.

4.Though the petitioner has filed an application seeking exemption, the said petition may be considered to be an application under the proviso to Section 19 of the Act and the trial Court may pass orders on merits.

5.The order of return in respect of insisting upon predeposit alone in hereby set aside. The matter is remitted back to the file of the Principal District and Sessions Court, Madurai. The learned Principal District Judge, Madurai is directed to consider the said application in the light of proviso to Section 19 of the Act and pass orders on merits and in accordance with law.



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6. With the above said observations, this civil revision petition stands allowed to the extent as stated above. No costs. Consequently, connected miscellaneous petition is closed.

17.04.2025

Index : Yes/No
Internet : Yes/No
NCC : Yes/No
msa

Note: Registry is directed to return the original impugned order to the petitioner after obtaining due acknowledgment.

To

1. The Principal District Judge
Madurai

2. The Record Keeper,
Vernacular Section,
Madurai Bench of Madras High Court,
Madurai.



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R.VIJAYAKUMAR, J

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