

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

CIVIL APPELLATE JURISDICTION

ARBITRATION PETITION NO. 262 OF 2025

Sayali Engineering Pvt. Ltd.

....Petitioner

Versus

The Chairman,

Micro, Small & Medium Enterprises Facilitation

Council, Pune Division, Pune & Anr.

....Respondents

Mr. D. G. Dhanure *a/w. Apurva Gudewar, for Petitioner.*

CORAM: SOMASEKHAR SUNDARESAN, J.

DATE : JANUARY 22, 2026

ORDER :

1. This is a Petition filed under Section 11 of the Arbitration and Conciliation Act, 1996 (***“the Act”***), which has been necessitated by Respondent No.1, the Facilitation Council, Pune, not having initiated arbitration proceedings after three attempts at conciliation failed. The Petitioner has executed an agreement dated April 6, 2018 with Respondent No.2, and has filed a reference to the MSME Council on October 19, 2023.

2. The MSME Council issued notice to Respondent No.2 for the first time on January 24, 2024. Thereafter, it appears that there were three meetings scheduled for conciliation; but Respondent No.2 is said not to

have showed up. The Petitioner then wrote to Respondent No.1 highlighting that the Council had failed to commence arbitration proceedings, by letters from his Advocates dated June 9, 2025 [(Exh. 'C') Page 216].

3. It is now well-settled law that the arbitration agreement discernible under the MSMED Act is a statutory provision contained in the Act that is deemed to be an arbitration agreement. If the authority in charge of appointing an arbitrator fails to appoint an arbitrator, the recourse under Section 11 of the Act would be available.

4. Despite service, none has appeared on behalf of either of the Respondents. Therefore, no useful purpose would be served by keeping this matter pending any further. The dispute is already underway and the matter has remained pending before the MSME Council in a purported conciliation phase. As the Facilitation Council has failed to act, the law in this regard as set out in *Microvision Technologies Pvt. Ltd. v. Union of India*¹ and *Vallabh Corpn. v. SMS India Pvt. Ltd.*², would run its course.

5. In these circumstances, this Petition is hereby ***finally disposed of***, in terms of the following order:

A] Mr. Mihir Naniwadekar, an advocate of this Court is hereby appointed as the Sole Arbitrator to adjudicate upon

¹ *Microvision Technologies (P) Ltd. v. Union of India* – 2023 SCC OnLine Bom 1848

² *Vallabh Corpn. v. SMS India (P) Ltd.*, 2025 SCC OnLine Del 1795

the disputes and differences between the parties arising out of and in connection with the Agreement referred to above ;

Office Address:- 1202, Bhushan, Mayur Colony,
Kothrud, Pune – 411 038.

Email ID: mihir.naniwadekar@protonmail.com

B] A copy of this Order will be communicated to the Learned Sole Arbitrator by the Advocates for the Petitioner within a period of one week from the date of upload of this order. The Petitioner shall provide the contact and communication particulars of the parties to the Arbitral Tribunal along with a copy of this Order;

C] The Learned Sole Arbitrator is requested to forward the statutory Statement of Disclosure under Section 11(8) read with Section 12(1) of the Act to the Advocates for the Petitioner so as to enable them to file the same in the Registry of this Court. The Registry of this Court shall retain the said Statement on the file of this Petition and a copy of the same shall be furnished by the Advocates for the Petitioner to the Advocates for the Respondent;

D] The parties shall appear before the Learned Sole Arbitrator on such date and at such place as indicated, to obtain appropriate directions with regard to conduct of the arbitration including fixing a schedule for pleadings, examination of witnesses, if any, schedule of hearings etc. At such meeting, the parties shall provide a valid and functional email address along with mobile and landline numbers of the

respective Advocates of the parties to the Arbitral Tribunal. Communications to such email addresses shall constitute valid service of correspondence in connection with the arbitration;

E] All arbitral costs and fees of the Arbitral Tribunal shall be borne by the parties equally in the first instance, and shall be subject to any final Award that may be passed by the Tribunal in relation to costs.

6. Needless to say, nothing contained in this order is an expression of an opinion on merits of the matter or the relative strength of the parties. All issues on merits are expressly kept open to be agitated before the arbitral tribunal appointed hereby.

7. All actions required to be taken pursuant to this order shall be taken upon receipt of a downloaded copy as available on this Court's website.

[SOMASEKHAR SUNDARESAN, J.]