



WEB COPY



W.P.No.30596 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.06.2026

CORAM

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P.No.30596 of 2024

And

W.M.P.No.33537 of 2024

The Unity Dyers
Represented by its Partner
S.Kumar
KRP Thottam,
Murugampalayam,
Tirupur – 641 687.

... Petitioner

Vs.

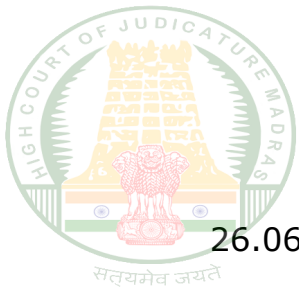
1. Micro and Small Enterprises Facilitation Council
MSME Commissionerate
Represented by its Chairperson MSEFC
And Commissioner MSME
Block 1&2, Udyog Bhavan, MSMED Branch,
4th Floor, Sector – 11,
Gandhinagar,
Ahmedabad.

2. M/s. Galaxy Chem Industries
30, Shreenath Estate,
Shahwadi, Naroj,
Ahmedabad – 382 405.

... Respondents

Prayer:

Petition filed under Article 226 of the Constitution of India to issue a Writ of Certiorari to call for the records in proceedings MSME-D/MSEFC/DP-0979/347/24, on the file of the first respondent, dated



W.P.No.30596 of 2024

26.06.2024 and quash the same as illegal, incompetent.

WEB COPY

For Petitioner : Ms.R.Sripriya
For Respondents : Ms.Deepika Murali for R1
Mr.G.R.Deepak for R2

ORDER

The petitioner has filed this writ petition seeking issuance of Writ of Certiorari to call for the records in proceedings MSME-D/MSEFC/DP-0979/347/24, on the file of the first respondent, dated 26.06.2024 and quash the same as illegal, incompetent.

2.The learned counsel appearing for the petitioner submitted that the petitioner is Partner of the Unity Dyers. From the year 2013, the petitioner firm and the second respondent are doing business. During the year 2017, the petitioner placed order for supply of material and made advanced payment of Rs.2,90,598/-, however, the second respondent supplied the materials only for the value of Rs.1,87,030/- and the materials supplied by the second respondent were defective and hence, the petitioner raised complaint and issued notice on 17.04.2018. The second respondent instead of rectifying the mistakes alleged that the petitioner firm had not settled any dues from 18.04.2016 to 28.10.2017 and the second respondent approached the



W.P.No.30596 of 2024

first respondent under MSME Act for conciliation in the year 2020 and on 29.08.2022, the petitioner received a communication from the first respondent intimating that the conciliation between the parties failed and conciliation proceedings was terminated under Section 18(2) of the MSME Act. Thereafter, the matter was referred to Arbitration proceedings under Section 18(3) of the MSME – D Act, 2006 and the first respondent passed exparte award.

3.The learned counsel appearing for the petitioner further submitted that the petitioner received notice from first respondent, however, the petitioner was not able to effectively participate since it was conducted in Gujarat and not in Tamil Nadu and the petitioner was not able to travel from Tamil Nadu to Gujarat. The learned counsel further submitted that the impugned proceedings was issued by the first respondent without providing opportunity to the petitioner. Hence, this Court may, without going into the merits of the case, set aside the impugned proceedings and remand the matter back to the first respondent and issue direction to the first respondent to hear the petitioner and the second respondent and to pass appropriate orders and further submitted that the petitioner is ready to cooperate with the first respondent.

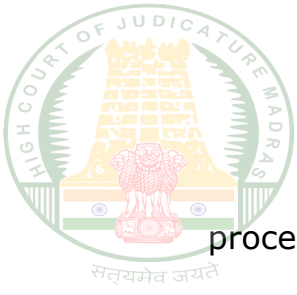


W.P.No.30596 of 2024

WEB COPY

4.The learned counsel appearing for the second respondent submitted that the petitioner received notice from the first respondent as well as from the second respondent, however, deliberately not participated in the arbitration proceedings before the first respondent. The learned counsel further submitted that since the petitioner did not participate in the conciliation proceedings, conciliation proceedings was terminated and arbitration proceedings was initiated and further submitted that taking note of the deliberate absence of the petitioner, the impugned proceedings was issued by the first respondent. The learned counsel further submitted that there is effective remedy available to the petitioner under Section 34 (2) of the Arbitration and Conciliation Act and without availing such remedy, the petitioner filing writ petition is not sustainable one.

5.The impugned proceedings has been passed without providing opportunity to the petitioner. Hence the impugned proceedings in MSME-D/MSEFC/DP-0979/347/24 on the file of the first respondent, dated 26.06.2024 is set aside and the matter is remanded back to the first respondent. The first respondent is directed to hear the petitioner and the second respondent and conclude the arbitration



W.P.No.30596 of 2024

proceedings, within a period of twelve weeks from the date of receipt of a copy of this order.

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6.The writ petition is allowed. No costs. Consequently, the connected miscellaneous petition is closed.

18.06.2026

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Index: Yes/ No
Speaking Order: Yes/ No
NCC: Yes/ No

To

1.Micro and Small Enterprises Facilitation Council
MSME Commissionerate
Represented by its Chairperson MSEFC
And Commissioner MSME
Block 1&2, Udyog Bhavan, MSMED Branch,
4th Floor, Sector – 11,
Gandhinagar,
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W.P.No.30596 of 2024

M.DHANDAPANI,J.
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