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Order QR

CRP.No.3968 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on: 10.9.2026	Delivered on: 15.9.2026
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THE HON'BLE MR JUSTICE N.ANAND VENKATESH

Civil Revision Petition No.3968 of 2025
& CMP.No.20748 of 2025

M/s.Ganesh Electricals,
No.1, II Floor, New Street,
Sakthi Nagar, Porur,
Chennai -600 116.

...Petitioner

Vs

M/s.K.S.Mani Electricals,
No.5, 3rd Cross Street,
Velmurugan Nagar,
Kuyavarpalayam,
Puducherry -605 013.

...Respondent

PETITION under Article 227 of The Constitution of India
against the order dated 14.5.2025 in No.6488/Ind. and Com./
MSEFC/T11 2025/441 on the file of the Chairman Micro & Small
Enterprises Facilitation Council, Puducherry.

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For Petitioner:	Mr.R.Subramanian for Mr.B.Ravi
For Respondent:	Mr.B.Vijay

ORDER

This civil revision petition has been filed under Article 227 of The Constitution of India against the notice dated 14.5.2025 in No. 6488/Ind. & Com./ MSEFC/T11 2025/441 on the file of the Chairman (MSEFC)-cum-Director (Ind. & Com.), Micro & Small Enterprises Facilitation Council, Puducherry (for short, the Council) under Section 18(2) of the Micro, Small and Medium Enterprises Development Act, 2006 (for brevity, the Act) calling upon the petitioner to appear in person or through video conferencing link to participate in mediation.

2. Heard the learned counsel appearing on behalf of the petitioner and the learned counsel appearing for the respondent.

3. This Court has carefully considered the submissions of the learned counsel on either side and perused the materials available on record and more particularly the impugned notice.

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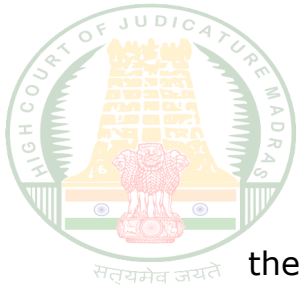
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4. The case of the petitioner is as follows:

(i) The petitioner was the successful bidder and was awarded with a contract on 29.2.2016 by the Government of Puducherry. The respondent approached the petitioner for carrying out certain job works for laying electrical cables by providing labourers and requested to engage him for supply of small value consumable materials. The parties entered into a contract and at some point of time, there was a dispute between the parties.

(ii) According to the petitioner, the respondent was due and payable a sum of Rs.1,16,75,244/- and was also liable for other payments. Hence, a commercial suit came to be filed in C.O.S.No. 557 of 2021 before the Principal District Court, Tiruvallur.

(iii) In turn, the respondent made a claim before the Council as if certain amounts were due and payable under the contract and the Council rejected the request for conciliation on 29.9.2023. Further, the writ petition that was filed by the respondent challenging the said proceedings of the Council dated 29.9.2023 in **W.P.No.2224 of 2025** was also withdrawn on **19.6.2025**. In the meantime, the impugned notice dated 14.5.2025 came to be issued by once again reviving the claim of the respondent and calling upon



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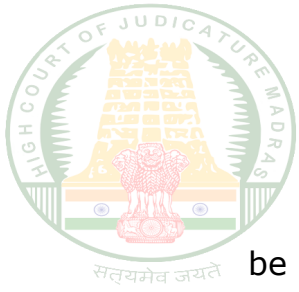
the petitioner to participate in the mediation.

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(iv) Challenging the said notice dated 14.5.2025, the above civil revision petition has been filed mainly on the ground that the Council lacks jurisdiction to issue such a notice and that the claim cannot be parallelly prosecuted when the commercial suit in O.S.No. 557 of 2021 on the file of the Principal District Court, Tiruvallur is pending.

5. The first issue that requires the consideration of this Court is regarding the maintainability of the above civil revision petition under Article 227 of The Constitution of India against the said notice dated 14.5.2025 issued by the Council calling upon the petitioner to participate in the mediation.

6. The Act provides for a mechanism for settling the dispute under Section 18 of the Act. The said notice dated 14.5.2025 had only called upon the petitioner to attend for the mediation process. At this stage, there is no lis between the parties and the actual lis commences only when the conciliation fails and the dispute between the parties becomes adversarial. Till that stage is reached, it cannot



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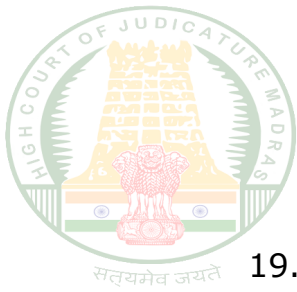
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be held that the proceedings are pending before the Council and consequently, as against such a notice, neither Article 226 nor Article 227 of The Constitution of India can be invoked.

7. Useful reference can be made to the order passed by a learned Single Judge of this Court in ***Sree Infratech India Pvt. Ltd. Rep.by its Director Vs. Chairman, MSEFC & Director (Ind. & Com.), MSEFC, Directorate of Industries & Commerce, Government of Puducherry [W.P.No.33528 of 2025 dated 02.12.2025]***.

8. Apart from considering the maintainability of the above civil revision petition, this Court is also inclined to deal with the grounds raised by the petitioner.

9. The main ground raised is that earlier, the respondent approached the Council and the claim was rejected by the Council on 29.9.2023 since the civil proceedings were pending; that the writ petition that was filed by the respondent in W.P.No.2224 of 2025 as against the said order dated 29.9.2023 was also withdrawn on



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19.6.2025 and thereby the proceedings became final; and that therefore, the Council did not have jurisdiction to review its earlier order and issue a fresh notice calling upon the petitioner to attend the mediation process.

10. In reply to the said submissions, the learned counsel for the respondent brought to the notice of this Court the fact that after the service of notice in the said writ petition in W.P.No.2224 of 2025, the learned Government Advocate appearing for the Council, on instructions, submitted that the Council would entertain the fresh claim made by the respondent and based on this submission, W.P. No.2224 of 2025 was withdrawn on 19.6.2025 in order to work out the remedy before the Council.

11. The said submission made by the learned counsel for the respondent cannot be brushed aside since the Council would not have entertained the claim subsequently if such a submission had not been made before this Court in the earlier writ petition. Hence, it cannot be held that the Council has reviewed its previous decision.



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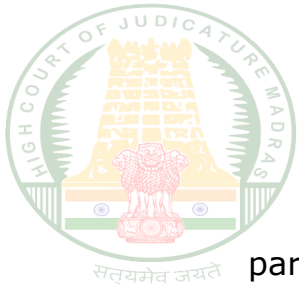
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12. The other ground raised on behalf of the petitioner is that there is a pending civil proceedings before the Commercial Court and that in view of the same, the Council could not parallelly prosecute the claim made by the respondent.

13. As stated supra, the Council, by virtue of the impugned notice, has only called upon the petitioner to attend the mediation process and the lis has not yet commenced. Be that as it may, it cannot be held that the pending civil proceedings will constitute a bar for maintaining the claim before the Council. It is an independent right that is conferred on a supplier registered under the Act by a special enactment and there is no bar for the Council to deal with the claim.

14. The judgment of the Hon'ble Apex Court in ***Gujarat State Civil Supplies Corporation Ltd. Vs. Mahakali Foods (P) Ltd. [reported in 2023 (6) SCC 401]*** throws a lot of light on this issue. The issue before the Hon'ble Apex Court was as to whether the Arbitration and Conciliation Act, 1996 will be a bar for the Council to entertain a claim. The Hon'ble Apex Court held at



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paragraph 52 that the Council will be entitled to proceed further under Section 18 of the Act despite the bar contained under the Arbitration and Conciliation Act, 1996. In view of the same, there is no legal bar for the respondent to prosecute their claim before the Council.

15. In the light of the above discussions, this Court holds that there are no merits in this revision warranting the interference of this Court under Article 227 of The Constitution of India.

16. Accordingly, the above civil revision petition is dismissed. No costs. Consequently, the connected CMP is also dismissed.

15-09-2026

To
The Chairman (MSEFC)-cum-Director
(Ind. & Com.), Micro & Small
Enterprises Facilitation Council,
Puducherry

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N.ANAND VENKATESH,J

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