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A No. 5539 of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18-11-2025

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THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

A No. 5539 of 2025

IN

Arb O.P(Com.Div.) SR No. 145560 of 2025

M/s.Super Steam Boiler Engineers Pvt. Ltd.,
Plot No.A-402, TTC Industrial Area,
MIDC Village, Mahabe,
Navi Mumbai - 400 701

Applicant

Vs

M/s.Unicon Engineers
Unit 1, 513/A/6, Bharathi Road,
Chinnavendamapatti,
Coimbatore - 641 006.

Respondent

A No. 5539 of 2025

PRAYER

To grant exemption from deposit of 75 percentage of the amount of Arbitral Award dated 07/04/2025 or of any further Arbitral Award of the Sole Arbitrator in I.A.F.No.10 of 2023 U/s.19 of the MSMED Act.

For Applicant:

Mr.N.L.Rajah
Senior Counsel for
Mr.Arjun Amanchi for
M/s Amanchi Legal and Co

For Respondent:

Mr.B.Manoharan



ORDER

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This application has been filed to exempt the applicant from pre-deposit of the amount as mandated under Section 19 of the Micro, Small and Medium Enterprises Development Act, 2006.

2. Heard the learned Senior Counsel appearing on behalf of the applicant and the learned counsel appearing on behalf of the respondent.

3. I had an occasion to deal with the scope of Section 19 of the Micro, Small and Medium Enterprises Development Act, 2006 read with Section 34 of the Arbitration and Conciliation Act, 1996, in Arb O.P.(Com.Div.)No.557 of 2025 (*Numaligarh Refinery Ltd., rep.by its Senior Chief General Manager (HR & Legal) Dr.Kajal Saikia v. M/s.Solar Design Pvt. Ltd., rep.by its Managing Director Mr.A.A.K.Apath Sakaayam, Chennai*), which order was delivered on 17.11.2025. This Court made it clear that there is no scope for exempting or waiving the deposit of 75% amount. What is available to the Court is only a small window of discretion provided under Section 19 of the Micro, Small and Medium Enterprises Development Act, which can be exercised in an appropriate case.

4. In the case on hand, the sole Arbitrator has awarded as follows:-

“64. In the result, the counter claims are rejected and the Respondent is directed to pay the Claimant a sum of

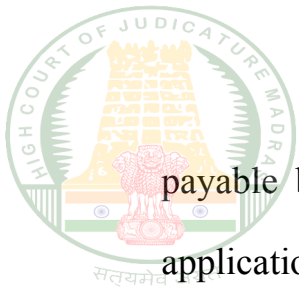


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Rs.30,71,386/- (Rupees Thirty Lakhs Seventy One Thousand Three Hundred and Eighty Six Only) along with the compound interest with monthly rests at three times the bank rate of 6.50% notified by the Reserve Bank of India under Notification No.RBI/2024-25/111 DoR.RET.REC.57/12/01.001/2024-25 dated 07.02.2025 and as stipulated in Section 15 & 16 of the MSMED Act, 2006 from 18.09.2010 till the date of realization. No cost.”

5. The learned Senior Counsel appearing on behalf of the applicant submitted that the only determinable amount is Rs.30,71,386/- and there is utter confusion insofar as the interest portion awarded by the Tribunal. Therefore, if at all 75% of the amount has to be deposited, such deposit can be made out of the sum of Rs.30,71,386/-.

6. The learned counsel appearing on behalf of the respondent submitted that the respondent had filed the application before the sole Arbitrator under Section 33 of the Arbitration and Conciliation Act for correcting the mistake insofar as awarding of interest is concerned. The learned counsel submitted that the Tribunal had awarded 6.5% interest right through and whereas, the respondent is entitled for compound interest with monthly rests at three times the bank rate as per the Reserve Bank of India notifications issued during the relevant period and as stipulated under Section 15 & 16 of the Micro, Small and Medium Enterprises Development Act. The learned counsel submitted that if the interest portion is calculated in that manner, a total sum of Rs.5,61,27,138/- is



payable by the applicant. It is brought to the notice of this Court that this application that was submitted to the sole Arbitrator was rejected.

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7. The learned Senior Counsel appearing on behalf of the applicant submitted that such indeterminable/unintelligible award passed by the sole Arbitrator is liable to be struck down by this Court, in the light of the judgment of the Apex Court in the case of *Dyna Technologies Private Limited v. Crompton Greaves Limited*, (2019) 20 SCC 1.

8. In the considered view of this Court, this Court is not going into the merits of the award and the only issue before the Court is the 75% pre-deposit amount that has to be paid by the applicant.

9. From the above award, it is clear that the sole Arbitrator has determined the principal amount as Rs.30,71,386/-. Hence, 75% of the pre-deposit amount has to be made insofar as this determinable amount is concerned. Since there is an issue regarding the interest portion of the award, this Court can exercise its discretion as provided under Section 19 of the Micro, Small and Medium Enterprises Development Act. Hence, without prejudice to the rights of both parties, the interest amount can be calculated at the rate of 6.5% per annum (simple interest) from 18.09.2010 till 04.07.2025.

10. In view of the above, there shall be a direction to the applicant to



deposit 75% out of the principal amount of Rs.30,71,386/- along with simple interest at the rate of 6.5% per annum from 18.09.2010 to 04.07.2025, on or before 26.11.2025, failing which the original petition will stand rejected at the SR stage.

11. This application is disposed of in the above terms.

Post this application under the caption 'for reporting compliance' on 27.11.2025.

18-11-2025

Index: Yes/No

Speaking/Non-speaking order

Internet: Yes

Neutral Citation: Yes/No

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**N.ANAND
VENKATESH J.**

SS

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D.No.145560 of 2025**

18-11-2025