

**IN THE HIGH COURT FOR THE STATE OF TELANGANA  
AT HYDERABAD**

\* \* \*

**THE HON'BLE JUSTICE MOUSHUMI BHATTACHARYA  
AND  
THE HON'BLE JUSTICE GADI PRAVEEN KUMAR**

**WRIT PETITION No.11193 OF 2024**

**DATE OF ORDER : 05.05.2026**

**Between:**

SRP Minerals Pvt. Limited

**.....Petitioner**

**AND**

Union of India, rep. by Secretary, Ministry of  
Law & Justice (Department of Legal Affairs),  
Shastri Bhavan, New Delhi and 4 Others

**.....Respondents**

Mr. Surender Rao, learned Senior Counsel representing Mr. Srikanth Kaveti,  
learned counsel appearing for the petitioner.

Mr. Iyengar, learned Senior Counsel representing Mr. A. Raja Shekar Reddy,  
learned counsel appearing for the respondent No.4.

**ORDER:** *(Per Hon'ble Justice Moushumi Bhattacharya)*

1. This Writ Petition has been filed for setting aside the arbitration proceedings referred by the respondent No.2/Facilitation Council to the respondent No.5/International Arbitration and Mediation Centre ('IAMC') by a letter dated 22.07.2023 pursuant to an Application No.UDYAM-TS-02-

0020734/S/0000. The writ petitioner also seeks to declare the said reference made by the respondent No.2 as arbitrary and illegal.

2. The writ petitioner is the respondent/Buyer in the reference made by the respondent No.2/MSME Facilitation Council to the respondent No.5/IAMC. The respondent No.4 is the Claimant/Supplier in the arbitration.

3. The only point raised by learned Senior Counsel appearing for the writ petitioner is that reference to arbitration pursuant to the claim made by the respondent No.4 is legally unsustainable by reason of the contract between the parties (writ petitioner and the respondent No.4) being in the nature of a works contract. Senior Counsel submits that the works contracts are necessarily excluded from the purview of The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

4. Learned counsel appearing for the respondent No.4/Claimant in the arbitration submits that the objection raised by the writ petitioner is contrary to the writ petitioner's own stand in consenting to the constitution of the Arbitral Tribunal. Senior Counsel submits that the issue as to whether claims arising out of

works contract would fall within the purview of the MSMED Act was decided against the contention of the writ petitioner, namely, exclude works contract from the applicability/operation of the Act.

5. We have considered the submissions made on behalf of the parties and perused the material placed on record.

6. The issue as to whether the MSMED Act excludes works contracts from its purview was decided by a Co-ordinate Bench of this Court in A.A.No.55 of 2025. In that decision, it was held that the MSMED Act does not make a distinction between works contracts and other contracts and that the Facilitation Council under the MSMED Act has the jurisdiction to settle disputes between parties through conciliation and thereafter arbitration even in respect of works contracts. In coming to that conclusion, the Co-ordinate Bench relied on *Hindustan Petroleum Corporation Limited v. West Bengal State Micro, Small Enterprises Facilitation Council*<sup>1</sup>, a decision of a learned Single Judge of Calcutta High Court in W.P.O.No.2896 of 2022 wherein the Calcutta High Court, after considering the relevant decisions on the subject, conclusively held that there is no distinction in the MESMED Act

---

<sup>1</sup> 2023 SCC OnLine Cal 1700

between MSMEs undertaking works contract and those engaging in other contracts since the component of supply of goods or rendering of services is present in both. The Court opined that the distinction between the works contract and other contracts cannot artificially be incorporated into the Act.

7. This Court agrees with the view taken by the Co-ordinate Bench in A.A.No.55 of 2025 (supra) and the Calcutta High Court in *Hindustan Petroleum Corporation Limited* (supra) since the only criterion for an entity for referring a dispute to the Council under section 18(1) of the Act is the entity being a medium or small scale enterprise as defined under section 2(g) and (m) of the Act, respectively. The entity must also satisfy the eligibility conditions prescribed under section 8(1) of the MSMED Act. As held by the Andhra Pradesh High Court in *Dalapathi Constructions v. State of Andhra Pradesh*<sup>2</sup>, there is nothing in the MSMED Act which provides that registration of a particular entity will render an enterprise liable for not being regarded as a micro, small or medium enterprise for any other activity. In other words, the provisions of the MSMED Act, including section 18(!) thereof, are attracted once an enterprise, falling within the purview of the Act,

---

<sup>2</sup> AIR 2022 AP 150

is registered under section 8(1) in accordance with the requirements therein.

8. Indeed, the arrangement of sections in the MSMED Act would show that the only relevant qualification is whether a Supplier as defined under section 2(n) has been paid, for goods sold or services rendered, by the Buyer and the mode of resolution of disputes between the Supplier for such unpaid amounts either by way of conciliation/mediation and arbitration. Section 24 of the Act also declares that sections 15 to 23 of the Act shall have overriding effect on all other Acts. This would also include reference made by an entity under section 18(1) of the Act. Section 18 does not make any differentiation between works contracts and other contracts and more important, does not state, either expressly or by implication, that works contracts would be excluded from the purview of section 18/reference of the dispute to the Council for conciliation/mediation and thereafter arbitration.

9. The petitioner has relied on *India Glycols Limited v. Micro and Small Enterprises Facilitation Council*<sup>3</sup> for the proposition that works contracts are excluded from the purview of the MSMED Act.

---

<sup>3</sup> (2025) 5 SCC 780

However, even a cursory reading of the judgment makes it clear that *India Glycols* was not at all concerned with the jurisdiction of the Facilitation Council, in relation to works contract or otherwise, and only dealt with the issue as to whether the Division Bench of the Telangana High Court could have enquired into the issue as to whether the claim before the Facilitation Council was barred by limitation after holding that the petition filed by the appellant was not maintainable under Articles 226/227 of the Constitution of India. In that case, the Award of the Facilitation Council was challenged by the respondent before the Facilitation Council under Articles 226/227 of the Constitution.

10. The Single Bench of the High Court allowed the Writ Petition and set aside the Award on the ground that the claim was barred by limitation. In the Appeal filed by the claimant, the Division Bench reversed the learned Single Judge's order by holding that the Writ Petition was not maintainable in view of the specific remedies provided under the MSMED Act. The Division Bench however proceeded to hold that the claim before the Facilitation Council was barred by limitation. The Supreme Court agreed with the view taken by the Division Bench that the Writ Petition was not

maintainable but held that the Division Bench should not have entered into the merits of the controversy after concluding that the Writ Petition was not maintainable. We do not find any similarity between the two decisions i.e., *India Glycols* and the present case with regard to factual issues raised before the Court. Hence, *India Glycols* does not come to the assistance of the writ petitioner. Counsel has not relied on any other cases.

11. Therefore, this Court is of the considered view that the challenge raised by the writ petitioner to the letter dated 22.07.2023 by which the Facilitation Council referred the dispute to arbitration to the respondent No.5/IAMC, on the ground of the dispute encompassing a works contract or otherwise is wholly devoid of any statutory or basis.

12. It is also relevant that the procedural orders enclosed by the respondent No.4 shows repeated appearances of counsel representing the writ petitioner before the learned Sole Arbitrator including on 19.03.2024 and 09.04.2024. The procedural order dated 09.04.2024 records, *inter alia*, that the parties shall file their pleadings on specific dates which includes the writ petitioner's Statement of Defence to the Claim Petition. More important, the

procedural order dated 09.04.2024 records that counsel appearing for the writ petitioner and the respondent No.4 stated that they have no objection, on any ground whatsoever, to the constitution of the present Arbitral Tribunal by the IAMC, Hyderabad. The relevant part of the order is set out below:

The learned Counsel of the Claimant (Sai Teja Construction Ltd.), and of the Respondent (M/s SRP Minerals Pvt. Ltd) stated that they have no objection, on any ground whatsoever, to the constitution of the present Arbitral Tribunal by the IAMC, Hyderabad. The Tribunal on its part declares that it has neither any interest in the parties, nor in the subject matter of dispute. There are no circumstances which are likely to give rise to justifiable doubts as to the impartiality or independence of the Tribunal. There are no circumstances which are likely to prevent the Tribunal from devoting sufficient time to the Arbitration and I particular its ability to complete the entire Arbitration within the stipulated time.'

13. Besides, the email dated 21.02.2024, sent on behalf of IAMC to the writ petitioner, to the writ petitioner, the respondent No.4 and the Sole Arbitrator, specifically states that both parties had expressed their preference for an arbitrator who is a retired District Judge or retired High Court Judge. Thus, it is clear that the Sole Arbitrator was appointed after taking the suggestions of both the

parties into account. Further, the Procedural Order dated 09.04.2024 in Arbitration Case No.RSC/0026/24 also records that counsel for both the parties appeared before the Arbitral Tribunal on 09.04.2024 and stated that they have no objection whatsoever to the constitution of the Arbitral Tribunal. It is also relevant that by a mail of 12.03.2024 to the writ petitioner, the respondent No.4 and the arbitrator, IAMC reiterated that Justice R.S.Chauhan had been appointed as the arbitrator taking into account the suggestions of both parties. The mail also states that the Arbitral Tribunal will decide on the validity of any challenge raised by the petitioner to its appointment.

14. Thus, we are of the considered view that the writ petitioner has filed this Writ Petition only as an after-thought and as a last-ditch attempt to scuttle the arbitration between the parties. After giving consent to the constitution of the Arbitral Tribunal and thereafter having participated in the proceedings before it, the writ petitioner cannot subsequently challenge the reference of the dispute to arbitration on the ground of the dispute not amenable to arbitration. The writ petitioner has an effective alternative remedy under The Arbitration and Conciliation Act, 1996, to raise its

objections in terms of section 16 of the A&C Act. Invoking the Writ jurisdiction of the High Court is wholly unsustainable as conclusively settled in various decisions of the Supreme Court. Hence, we have no hesitation in dismissing the Writ Petition as being devoid of merit. The writ petitioner has not shown any rare or exceptional case warranting interference by the Writ Court at the threshold of the arbitration.

15. WP.No.11193 of 2024, along with all connected applications, is accordingly dismissed. No costs. Interim orders, if any, shall stand vacated.

---

**MOUSHUMI BHATTACHARYA, J**

---

**GADI PRAVEEN KUMAR, J**

DATE: 05.05.2026  
BMS

**THE HON'BLE JUSTICE MOUSHUMI BHATTACHARYA  
AND  
THE HON'BLE JUSTICE GADI PRAVEEN KUMAR**

**WRIT PETITION No.11193 OF 2024**

**DATE OF ORDER : 05.05.2026**

BMS