



2026 INSC 874

Non-Reportable

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

**Civil Appeal No.10750 of 2026
(Arising out of SLP (C) No.24388 of 2026)**

M/S Indo Engineering Works

... Appellant(s)

Versus

Rashtriya Ispat Nigam Limited (RINL) & Ors.

... Respondent (s)

ORDER

Leave granted.

2. The appellant had approached Andhra Pradesh Micro and Small Enterprises Facilitation Council¹ for arbitration with respect to an agreement entered into with the respondent herein. On the Facilitation Council taking up the matter, respondent filed a writ petition before the High Court, which was allowed by Annexure P-7 order, by a learned Single Judge.

3. The learned Single Judge found that the contract is a works contract and that the appellant had not filed a

¹ In short 'Facilitation Council'

memorandum under Section 8 of the Micro, Small and Medium Enterprises Development Act, 2006², as has been held in ***Silpi Industries & Ors. v. Kerala State Road Transport Corporation & Anr.***³. In an appeal by the appellant herein, a Division Bench of the High Court kept the matter in abeyance, finding that the ratio as laid down in ***Silpi Industries***³ of filing a memorandum under Section 8 of the Act, with respect to Small Scale Industries, already registered as such, has been referred to a larger bench of three Judges.

4. When the matter came up before us for hearing, we were not convinced that any interference could be made, since, admittedly there was a reference pending before this Court. However, we suggested to the appellant that if they were willing to go under regular arbitration, other than that provided by the Act of 2006, notice could be issued. On consent, notice was issued, recording the consent, in our order dated 17.07.2026.

² Hereinafter referred to as 'the Act of 2006'

³ (2021) 18 SCC 790

5. Today when the matter was taken up, learned Counsel for the respondent appeared and took up a contention that the arbitration clause required an institutional arbitration. It was also submitted that, if it is referred for an institutional arbitration or before an independent arbitrator, the appellant should not get the benefit of the Act of 2006. This was stoutly opposed by the Counsel for the appellant.

6. With regard to the opposition made by learned Counsel for the appellant with respect to the application of the provisions of the Act of 2006, we have to notice that, only on consent that the arbitration could go in the normal mode, and not through the Facilitation Council under the Act of 2006, that notice itself was issued. We adopted such procedure only reckoning the fact that the disposal of the reference by a larger bench may further delay the claim as raised by the appellant, which is a small scale industry, who, admittedly has not filed the memorandum under Section 8 of the Act of 2006.

7. Hence, we are of the definite opinion that if arbitration is sought on the normal mode, the appellant cannot claim any benefits as provided under the Act of 2006.

8. We accordingly appoint Hon'ble Mr. Justice R. Raghunandan Rao, Former Judge of the Andhra Pradesh High Court (Mobile No. +91 92465 40330), as the Sole Arbitrator to adjudicate upon the disputes that have arisen between the parties. The learned Arbitrator shall issue notices to the parties in connection with the arbitral proceedings. The learned Arbitrator is free to determine his fee in consultation with the parties. We make it clear that we have expressed no opinion on the merits of the case which aspect is left open for the parties to urge before the learned Arbitrator.

9. The Registry of the Court shall inform the Learned Arbitrator.

10. With the aforesaid directions, the appeal stands disposed of.

11. Pending application(s), if any, shall stand disposed of.

..... J.
(J. B. PARDIWALA)

..... J.
(K. VINOD CHANDRAN)

**NEW DELHI;
AUGUST 13, 2026.**