

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
IN ITS COMMERCIAL DIVISION

**COMMERCIAL ARBITRATION PETITION NO. 106 OF 2026**

Synthesis Communication

...Petitioner

**Versus**

India Government Mint, Mumbai

...Respondent

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*Mr. Vishal Ghosalkar a/w Ms. Swapnali Lindiat i/b Mr. Mohd. Moin Khan,  
for the Petitioner.*

*Mr. Ashish Shukla i/b Mr. Rakesh Sawant, for the Respondent.*

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**CORAM : SHARMILA U. DESHMUKH, J.**

**DATE : March 23, 2026**

**P. C. :**

**1.** The present petition filed under Section 34 of the Arbitration and Conciliation Act, 1996 (for short "Arbitration Act") challenges the impugned Award dated 18<sup>th</sup> February, 2025 passed by Micro And Small Enterprises Facilitation Council, Mumbai. By the impugned Award passed under Section 18 of Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act), the Council decided to close the Petition with the following finding :-

*"Council observed that there is violation of para 3(d) of Section VII: Technical specification mentioned in 'National competitive bidding no. 6000010762 dated 20-03-2018*

*Annual contract for Publishing Advertisements'. The claim cannot be taken up for further hearing."*

2. Briefly stated facts are that on 20<sup>th</sup> March, 2018, the Respondent floated a tender for publishing advertisement in which the Petitioner was declared successful bidder. On 18<sup>th</sup> June, 2018, the Petitioner was issued the contract which was for the period from 21<sup>st</sup> June, 2018 to 20<sup>th</sup> June, 2019. On 23<sup>rd</sup> June, 2018, the first order was placed by the Respondent for release of advertisement in newspapers and subsequently orders to publish advertisement were received from the Respondent, pursuant to which invoices were raised by the Petitioner. The Respondent released only a sum of Rs. 2, 41, 887/- as against Rs. 3,89,520/- without any justification for release of short amount. For the period from 11<sup>th</sup> July, 2018 till 4<sup>th</sup> January, 2019, total 12 invoices were raised including the first invoice wherein the amount paid less to total sum of Rs. 16,88,862/-.

3. As the invoices were not satisfied, on 5<sup>th</sup> July, 2021, the Petitioner filed the claim before Micro, Small & Medium Enterprises Facilitation Council under Section 18(1) of the MSMED Act claiming amount of Rs. 20,10,038/-. As the Respondent expressed unwillingness to proceed with conciliation, the conciliation proceedings came to be terminated and a request was made for arbitration under Section 18(4) of MSMED Act. On 27<sup>th</sup> July, 2023, the Petitioner filed its say and on

22<sup>nd</sup> September, 2023, the Respondent filed its reply. On 18<sup>th</sup> February, 2025, MSME Council terminated the arbitration proceedings with a cryptic order reproduced above.

4. Mr. Ghosalkar, learned counsel for the Petitioner would submit that the closure of the proceedings amounts to termination which is permissible only under Section 32 of the Arbitration and Conciliation Act, 1996. He submits that no hearing was granted to the parties and there is no reason in the impugned Award for terminating the proceedings. He submits that even on merits, the Petitioner's claim deserves to be allowed as the denial by the Respondent was on the ground that the advertisement was not published in prescribed vernacular language, however there was explicit confirmation given by the Respondent. He submits that the Arbitration Council has terminated the proceedings by observing violation of para 3(d) of Section VII pertaining to the technical specification of the tender, which was not even the defence of Respondent.

5. *Per contra*, learned counsel for the Respondent would support the impugned order.

6. I have considered the submissions and perused the impugned Award.

7. Upon failure of conciliation proceedings, the arbitration proceedings were initiated for adjudication of the dispute under

Section 18(4) of the MSMED Act which provides for the dispute to be taken up by Council upon mediation having failed. Perusal of the impugned Award discloses no reasons and no findings for terminating the proceedings. The Council had issued notices of hearing in the arbitration proceedings and subsequently replies and response was filed by the parties. Section 18(4) of MSMED Act provides for applicability of the Arbitration Act to dispute as if the arbitration was pursuant to the arbitration agreement referred to in sub section (1) of Section 7 of the Arbitration Act. Section 31(3) of the Arbitration Act provides that the Arbitral Award shall state the reasons upon which it is based unless the parties have agreed that no reasons be given or the award is Arbitral Award on agreed terms under Section 30. Mr. Ghosalkar is right in submission that the impugned Award amounts to termination of proceedings which is permissible only in eventualities mentioned under Section 32 of the Arbitration Act. The termination of arbitral proceedings can take place only upon existence of circumstances as stated in clauses (a), (b) or (c) of Section 32. None of these circumstances existed in the present case for termination of the arbitral proceedings.

**8.** The Arbitration council has not given any reasons for passing the impugned Award, even if it is accepted, that it is not termination but a consideration on merits. The impugned Award, therefore, suffers from

patent illegality being in breach of the statutory provisions of Arbitration Act and is hereby quashed and set aside.

**9.** Resultantly, the Petition succeeds. The impugned Award/order dated 18<sup>th</sup> February, 2025 closing the proceedings is hereby quashed and set aside.

**[SHARMILA U. DESHMUKH, J.]**