



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH AT NAGPUR

WRIT PETITION NO.266/2025

M/s. KJV Alloy Conductors Private Limited, Nagpur

...Versus...

Kerala State Electricity Board Ltd., Through its Secretary (Administration),
Kerala- 695004

Office Notes, Office Memoranda of Coram,
appearances, Court's orders or directions
and Registrar's orders

Court's or Judge's orders

Mr. R.M. Sharma, Advocate for petitioner
Mr. C.V. Deopujari, Advocate for respondent

CORAM : ROHIT W. JOSHI, J.

DATE : 01/04/2026

1. The present petitioner had initiated proceeding against the respondent under the Micro Small and Medium Enterprises Development Act, 2006 (for short hereinafter referred to “MSMED, Act”), in which an award to the tune of Rs.29,35,073/- came to be passed in favour of the petitioner. The Micro and Small Enterprise Facilitation Council (MSEFC), Nagpur also directed the respondent to pay interest on the aforesaid amount, in accordance with Section 16 of the MSMED, Act.

2. The respondent challenged the said award by filing application under Section 34 of the Arbitration and Conciliation Act, 1996, which came to be registered as Arbitration Case No.258/2021.

3. In view of the mandate of Section 19 of the MSMED, Act, the respondent has deposited 75% of the principal amount, as awarded by the learned Council, before

the learned Court. The petitioner filed an application praying for rejection of the application under Section 34 of the Arbitration and Conciliation on the ground of non-compliance of Section 19 of the MSMED, Act. The contention of the petitioner was that since interest on 75% of the amount, in terms of award passed by the learned MSEFC, Nagpur was not deposited, the application filed under Section 34 of the Arbitration and Conciliation Act was liable to be rejected.

4. The learned District Judge – 12, Nagpur has rejected the said application vide order dated 20/09/2024. The learned Court has placed reliance on the judgment in the case of *Government of Maharashtra Vs. Shrivin Farma Pvt. Ltd. AP 90/2023 IA No.GA 2/23*, wherein it is held that the rate of interest must be determined by the MSEFC in the award itself.

5. The learned Advocate for the respondent contends that since amount of interest was not determined under the award impugned before the learned District Judge, the same could not be deposited along with interest.

6. There cannot be any dispute that amount to be deposited with the Court for filing application for setting aside the arbitral award must be 75% of the amount in terms of arbitration award. This will imply that the principal amount should be deposited with accrued interest. However, the bar is not to filing of the application but to entertaining of the same by the learned Court. Likewise, rate of interest is also not specified in the award passed by the learned Tribunal.

7. In view of the aforesaid, in the considered opinion of this Court, parties should be given opportunity to file their

respective statements and calculations with respect to rate of interest and computation thereof and the learned Court, entertaining 34 petitions, must revisit the issue upon receiving the statement of interest from the parties. The contention of the respondent that there is no need to deposit interest, unless the same is determined in the award itself, is kept open.

8. In view of the above, the writ petition is allowed in the following terms :-

(i) Order dated 20/09/2024, passed by the learned District Judge – 12, Nagpur on application at Exh.13 in Arbitration Case No.258/2021, is quashed and set aside.

(ii) The learned District Judge-12, Nagpur is directed to decide the said application afresh after receiving the statement with respect to rate of interest and calculations thereof from the petitioner and respondent. Such statement shall be filed on or before 08/05/2026 before the learned District Judge.

(iii) No order as to costs.

(ROHIT W. JOSHI, J.)