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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 14109/2025 & CM APPL. 57811/2025**

**NATIONAL INVESTMENT AND INFRASTRUCTURE FUND
LTD**Petitioner

Through: Mr. Amit Agrawal, Mr. Rahul
Kukreja, Ms. Akansha, Advs.

versus

**MICRO AND SMALL ENTERPRISES FACILITATION COUNCIL
SOUTH REVENUE DISTRICT & ANR.**Respondents

Through: Mr. Suraj Kumar Vishwakarma, Adv.
for R-2.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDR KUMAR KAURAV

ORDER

% **29.01.2026**

1. Learned counsel appearing for the petitioner submits that the proceedings against it are *non est* in the eyes of law as the respondent-Micro And Small Enterprises Facilitation Council does not have any jurisdiction to deal with the controversy involved herein.

2. According to him, the dispute originates from a works-contract of the year 2016 for a highway project in Jammu and Kashmir with the Navayuga Engineering Company Limited (NECL) and respondent no.2. Thereafter, respondent no. 2 is stated to have raised a claim for recovery of dues allegedly attributable to the petitioner. As per the petitioner, it is not a party to any arrangement between the other NECL and respondent no. 2 and therefore, such a claim could not have been raised against it. However, it is submitted that respondent no. 1, without any jurisdiction and in a mechanical manner, had initiated proceedings *vide* intimation-cum-notice dated 22.10.2023 under Section 18 of the Micro, Small and Medium



Enterprises Development Act, 2006 (MSME Act) in furtherance of the aforesaid claim. The said proceedings have culminated in order dated 18.06.2025, whereby, respondent no. 1 has referred the parties to arbitration.

3. A perusal of the impugned intimation-cum-notice dated 22.10.2023 and the order dated 18.06.2025 passed by respondent no. 1 indicates that respondent no. 1 has not adjudicated on the aspects raised by the petitioner herein. Learned counsel for the petitioner points out from Annexure P-19, and Annexure P-20 that the said objections were raised before respondent no. 1, despite which the impugned order dated 18.06.2025 has been passed.

4. Learned counsel appearing for the respondent opposed the submissions made by learned counsel appearing for the petitioner and submits that the impugned order does not call for any interference.

5. However, the impugned order dated 18.06.2025 stands vitiated for failure to assign reasons for inclusion of the petitioner in the proceedings. It is made clear that respondent no. 1 may still refer the parties for statutory arbitration. However, the same has to be based on proper appreciation of the facts and situations. In the instant case, the said exercise cannot be borne out from a perusal of the impugned order dated 18.06.2025.

6. Accordingly, the order dated 18.06.2025 stands set aside and the parties are relegated back to respondent no. 1 for fresh adjudication of their reference to arbitration under Section 18 of the MSME Act. They shall appear before respondent no. 1 and make their submissions.

7. Let respondent no. 1 to pass an appropriate order.

8. Petition stands disposed of.

PURUSHAINDRA KUMAR KAURAV, J
JANUARY 29, 2026/P/AMG