



2026:DHC:4341



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 14730/2025 and CM APPL. 60461/2025**

Date of decision: **11.05.2026****IN THE MATTER OF:-**

FOOD CORPORATION OF INDIA

.....Petitioner

Through: Mr. Purushottam Sharma Tripathi,
and Mr. Prakhar Singh, Advocates.

versus

ACE INTEGRATED SOLUTIONS AND ORS

.....Respondents

Through: Mr. Jasmeet Singh, Mr. Mahinder Singh Hura, Mr. Saif Ali, Mr. Pushpendra S. Bhadoria, Mr. Ajith Williyam S. Mr. Vijay Sharma, Mr. Pranav Menon, Mr. Saurav, and Mr. Mehul Pant, Advocates for R-1.
Mr. Anubhav Gupta , Panel Counsel (Civil) GNCTD, Mr. Kartik Sharma, Advocates for R-GNCTD.

CORAM:**HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV****J U D G E M E N T****PURUSHAINDRA KUMAR KAURAV, J. (ORAL)**

1. The present petition seeks for the setting aside of order dated 17.11.2022 (“**Impugned Order**”) passed by respondent no.2-Micro and Small Enterprises Facilitation Council, New Delhi (“**Council**”), under Section 18(3) of the Micro, Small and Medium Enterprises Development

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Act, 2006 (hereinafter “Act”), whereby the dispute raised by respondent no.1 has been referred to the Delhi International Arbitration Centre (‘DIAC’).

2. The sole ground raised by the petitioner to assail the Impugned Order is that the contract was entered into between the petitioner and respondent no. 1, prior to the date on which respondent no. 1 registered itself as an MSME. It is his case that the Impugned Order referring the parties to arbitration is impermissible in law.

3. The issue raised in this petition is no longer *res integra*. The Supreme Court in the case of **NBCC (India) Ltd. v. The State of West Bengal & Ors.**¹ in paragraph no.5 has framed the following question:-

“5. Issue for our consideration: The question of law for our consideration is whether an MSME cannot make a reference to the Facilitation Council for dispute resolution under Section 18 of the Act if it is not registered under Section 8 of the Act before the execution of the contract with the buyer.”

4. The aforesaid question has been answered in paragraph no.15 thereof, which reads as under:

“15. Having considered the definition of the expression ‘supplier’, and also having considered the classification of enterprises into micro, small and medium with respect to each of which there is a separate legal regime to be suggested by the Advisory Committee and notified by the Central and State Governments, and in view of the discretion specifically vested with the micro and small enterprises for filing a memorandum under Section 8 of the Act, the submission that the Facilitation Council cannot entertain a reference under Section 18 if the enterprise is not registered under Section 8 must be rejected.”

5. It is clear that the fact of an MSME being unregistered, at the time the contract was entered into, or when the alleged invoices were issued,

¹ 2025 INSC 54.



is immaterial to the jurisdiction and powers exercisable by the Council under Section 18 of the MSMED Act. Same was the view taken by this Court in *Sadbhav Engineering Ltd. v. KGTS Engineering India Pvt. Ltd.*,² *NTPC Ltd. v. Micro and Small Enterprises Facilitation Council and Ors.*,³ *Bharatiya Rail Bijlee Company Ltd. v. Micro and Small Enterprises Facilitation Council and Ors.*,⁴ *Environment Planning and Coordination Organization Virology v. M/s Suresh Goel and Associates and Ors.*,⁵ *Lalit Narayan Mithila University v. Delhi International Arbitration Centre and Ors.*,⁶ *Sugam Technocrats Pvt. Ltd. v. Micro and Small Enterprises Facilitation Council and Ors.*,⁷ *Municipal Corporation of Delhi v. M/s Vijay Bansal*,⁸ *Sadbhav Infrastructure Project Ltd. v. VCS Enterprises Pvt. Ltd. and Ors.*,⁹ *MNV Industries Ltd. v. Chairman Micro and Small Enterprises Facilitation Council and Anr.*,¹⁰ and *Municipal Corporation of Delhi v. M/s Vijay Bansal*,¹¹ *Richa Global Exports Pvt. Ltd. v. Delhi International Arbitration Centre and Ors.*¹² Importantly, the order of this Court in *M/s Vijay Bansal* (supra) was affirmed by the Division Bench in *Municipal Corporation of Delhi v. M/s Vijay Bansal*.¹³

² W.P.(C)13095/2023; order dated 13.01.2026.

³ W.P.(C) 5195/2021; order dated 22.01.2026.

⁴ W.P.(C) 8669/2021; order dated 22.01.2026.

⁵ W.P.(C) 12469/2024; order dated 11.02.2026

⁶ W.P.(C) 2249/2026; order dated 17.02.2026

⁷ W.P.(C) 2603/2026 ; order dated 25.02.2026

⁸ W.P.(C) 12308/2023; order dated 25.02.2026

⁹ W.P.(C) 13030/2023; order dated 18.03.2026

¹⁰ W.P.(C) 10895/2024; order dated 21.04.2026

¹¹ W.P.(C) 12308/2023; order dated 25.02.2026.

¹² W.P.(C) 14435/2024; order dated 28.04.2026.

¹³ L.P.A 267/2026; order dated 15.04.2026.



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6. In view of the aforesaid, this Court does not find any reason to interfere with the Impugned Order.

7. The rights of the petitioner and the respondents with respect to all other submissions stand reserved. They shall be entitled to contest the matter on merits.

8. So far as the submission made by the petitioner that fraud vitiates everything and in the instant case, an FIR has been registered by the CBI is concerned, it is pointed out by learned counsel for the respondents that the petitioner has taken all those pleas before the Arbitrator. The Court finds that all aspects, including those aforementioned, will have to be looked into by the concerned Arbitrator.

9. Leaving all those objections open, the instant petition stands dismissed.

(PURUSHAINDRA KUMAR KAURAV)
JUDGE

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