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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **W.P.(C) 16063/2024**

**M/S RECKON MARKETING SERVICES THROUGH
PROPRIETOR MR NIRAJ KUMAR**

.....Petitioner

Through: Mr. Ravi Sharma, Mr. Aryan Chanda,
Advocates

versus

**MICRO AND SMALL ENTERPRISES FACILITATION COUNCIL
AND ORS**

.....Respondent

Through: Ms Anju Gupta, Mr Bhuvan Goel, Mr
Shubham Grover advocate (s) for
UOI.
Mr. Amit Acharya, GP.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

ORDER

21.01.2026

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1. The petitioner had approached the Micro and Small Enterprises Facilitation Council, South East, New Delhi under Section 18 of the Micro, Small and Medium Enterprises Development Act, 2006 (“**the Act**”). By the Impugned Order, the petitioner has been informed that its application under Sections 18 has been rejected by the Council. The said order was communicated to the petitioner *vide* email dated 11.09.2024, which for the sake of clarity, is extracted as under:

“Dear NIRAJ KUMAR,

*Your Application Rejected by Facilitation Council MSEF Council
District (South-East). Please find below information:*



Rejection Remark: Correct Documents not Attached Facilitation Council: MSEF Council District (South-East) Application Reference No. (Temporary): UDYAM-DL-08-0018517/M/00001 Petitioner Name NIRAJ KUMAR Petitioner Unit Name RECKON MARKETING SERVICES Respondent Name : Tech Almond Solution Private Limited”

2. Further, Section 18 of the Act reads as under:

“18. Reference to Micro and Small Enterprises Facilitation Council.

(1) Notwithstanding anything contained in any other law for the time being in force, any party to a dispute may, with regard to any amount due under section 17, make a reference to the Micro and Small Enterprises Facilitation Council.

(2) On receipt of a reference under sub-section (1), the Council shall either itself conduct conciliation in the matter or seek the assistance of any institution or centre providing alternate dispute resolution services by making a reference to such an institution or centre, for conducting conciliation and the provisions of sections 65 to 81 of the Arbitration and Conciliation Act, 1996 (26 of 1996) shall apply to such a dispute as if the conciliation was initiated under Part III of that Act.

(3) Where the conciliation initiated under sub-section (2) is not successful and stands terminated without any settlement between the parties, the Council shall either itself take up the dispute for arbitration or refer it to any institution or centre providing alternate dispute resolution services for such arbitration and the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996) shall then apply to the dispute as if the arbitration was in pursuance of an arbitration agreement referred to in sub-section(1) of section 7 of that Act.

(4) Notwithstanding anything contained in any other law for the time being in force, the Micro and Small Enterprises Facilitation Council or the centre providing alternate dispute resolution services shall have jurisdiction to act as an Arbitrator or Conciliator under this section in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

(5) Every reference made under this section shall be decided within a period of ninety days from the date of making such a reference.

(Emphasis Supplied)

3. A perusal of Section 18 of the Act, reveals that under sub-section 2 of Section 18, the Facilitation Council, has to, either itself conduct conciliation



in the matter referred to it, or seek the assistance of any institution or centre providing alternate dispute resolution services. The scheme of the Act then under sub-section 3 of Section 18 provides, that if the conciliation referred to under Section 18(2) has failed, the Facilitation Council shall either itself take up the dispute for arbitration or refer it to any institution or centre providing dispute resolution services.

4. The Impugned Order contained in the email dated 11.09.2024, merely states that the petitioner's application has been rejected. There is no reference, in the Impugned Order, at all, as to whether recourse to the provisions under Section 18 has actually been taken by the said Council. Whether the satisfaction and conclusions required *qua* conciliation in the matter, required under Sections 18(2) of the Act, had been undertaken, and whether the analysis required under Section 18(3) of the Act was done. The Impugned Order is bereft of any reason much less good reasons.

5. Accordingly, the Court is left with no option except to set aside the Impugned Order and remit the matter back to the concerned authority.

6. Let the petitioner's application be revived and upon hearing both the parties, let the authority to pass appropriate orders strictly in accordance with law and with due expedition.

7. With the aforesaid observations, the instant petition stands disposed of.

PURUSHAINdra KUMAR KAURAV, J

JANUARY 21, 2026

Nc/ksr