Ms Grand Mumtaz Hotel And Resort Through ... vs Deputy Commissioner North East ... on 11 January, 2023

Author: Prathiba M. Singh

Bench: Prathiba M. Singh

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$~2,7,17 to 19, 20,21,37,38,39,50,51,53,54 & 55
        IN THE HIGH COURT OF DELHI AT NEW DELHI
             W.P.(C) 16588/2022 & CM APPLs.52144-45/2022
        MS GRAND MUMTAZ HOTEL AND RESORT THROUGH ITS
        MANAGING PARTNER MR WASIM MUSHTAQ ..... Petitioner
                        Through: Mr. Shekhar Dasi, Advocate (M
                                   9871655327).
                        versus
        DEPUTY COMMISSIONER NORTH EAST GOVERNMENT OF
        NCT OF DELHI & ORS.
                                                      ..... Res
                        Through: Ms. Mehak Nakra, ASC with Mr.
                                   Karan Kapur, Advocate for R
                                   9871144582).
                                   Dr. Farrukh Khan, Mr. Anup
                                   Nagar, Mr. Aman Rai and Ms.
                                   Shagun Sarohi, Advocates fo
                                    9205029846).
7
                        WITH
             W.P.(C) 13758/2021 & CM APPL.43444/2021
        STERLITE POWER TRANSMISSION LIMITED ..... Petitioner
                        Through: Mr. Deepak Khurana and Mr.
                                   Abhishek Bansal, Advocates
                                   9811231287).
                        versus
        M/S EPC SOLUTIONS LLP & ANR.
                                                      ..... Res
                        Through: Mr. Dinesh Kr. Goswami, Sr.
                                   Advocate with Mr. Rohit, Mr
                                   Prakash Kumar Sinha and Mr.
                                   Kumar, Advocates for R-1.
                                   Mr. Anuj Aggarwal, ASC with
                                   Ayushi Bansal, Mr. Sanyam S
17
                        WITH
             W.P.(C) 16891/2022 & CM APPL.53523/2022
        MUNICIPAL CORPOATION OF DELHI
                                                      ..... Pet
                        Through: Mr. Kunal Vajani, Mr. Kunal M
                                   and Mr. Kartikey Bhatt, Adv
                                    (M: 7042492840)
                        versus
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Signature Not Verified Digitally Signed By:DEVANSHU JOSHI

W.P.(C) 16588/2022 & connected matters

1

Signing Date: 13.01.2023

19:52:41

| 19.32.41 | | |
|-------------------------------------|----------|---|
| | | RAM PRAKASH Res |
| | | Through: None. |
| | 18 | WITH |
| | + | W.P.(C) 16894/2022 & CM APPL.53541/2022 |
| | | MUNICIPAL CORPORATION OF DELHI Peti |
| | | Through: Mr. Kunal Vajani, Mr. Kunal M and Mr. Kartikey Bhatt, Adv |
| | | (M: 7042492840) |
| | | versus |
| | | TRIWENI ENTERPRISES Resp |
| | | Through: None. |
| | 19 | AND |
| | + | W.P.(C) 16895/2022 & CM APPL.53543/2022 |
| | | MUNICIPAL CORPORATION OF DELHI Peti |
| | | Through: Mr. Kunal Vajani, Mr. Kunal M |
| | | and Mr. Kartikey Bhatt, Adv |
| | | (M: 7042492840) |
| | | versus M/S TRIWENI ENTERPRICES Resp |
| | | M/S TRIWENI ENTERPRICES Resp Through: Ms. Arshya Singh, Advocate fo |
| | 20 | WITH |
| | + | W.P.(C) 16942/2022 & CM APPL.53675/2022 |
| | | NBCC (INDIA) LTD Peti |
| | | Through: Mr. Kartik Nagarkatti and Ms. |
| | | Prakriti Joshi, Advocates (|
| | | 9873368749). |
| | | versus |
| | | MICRO AND SMALL ENTERPRISES |
| | | FACILITATION COUNCIL (SOUTH-EAST), |
| | | GOVERNMENT OF NCT OF DELHI & ANR Respondents Through: Mr. Avishkar Singhvi, Mr. Nav |
| | | Ahmed and Mr. Vivek Kumar, |
| | | Advocates (M: 9654847982). |
| | | Ms. Krishna Parkhani, Advoc |
| | | R-2 (M: 7709872128). |
| | 21 | WITH |
| | + | W.P.(C) 17725/2022 & CM APPL.56669/2022 |
| | | |
| | | |
| Signature Not Verified | | |
| Digitally Signed | W.D. (C) | 10500 (2022) 5 |
| By: DEVANSHU JOSHI | W.P.(C) | 16588/2022 & connected matters |
| Signing Date:13.01.2023 19:52:41 | | |
| 13.32.41 | | RAJA BAHADUR INTERNATIONAL LTD |
| | | Through: Mr. Shubhas Takia, Advocate. |
| | | versus |
| | | MICRO SMALL ENTERPRISES FACILITATION |
| | | COUNCIL AND ORS Responden |
| | | Through: Mr. Ashish Verma, Advocate fo |
| | | (M: 9717944394). |
| | | |

| | 37 | WITH |
|-------------------------|---------|---|
| | + | W.P.(C) 16567/2022 & CM APPLs.52091-92/2022 |
| | | JKS INFRASTRUCTURE PRIVATE LIMITED Petitioner |
| | | Through: Mr. Dheeraj Sharma and Mr. B |
| | | Gupta, Advocates (M: 95604) |
| | | versus |
| | | MSME FACILITATION COUNCIL AND ORS Respondents |
| | | Through: None. |
| | 38 | WITH |
| | | |
| | + | W.P.(C) 16702/2022 |
| | | M/S ASN ENGINEERS AND ERECTORS |
| | | Through: None. |
| | | versus |
| | | UNION OF INDIA & ORS I |
| | | Through: Mr. Ravi Prakash CGSC with M |
| | | Amit Acharya, GP, Mr. Farm |
| | | and Mr. Usha, Advocates fo |
| | | (M: 8744956276). |
| | 39 | WITH |
| | + | W.P.(C) 16720/2022 |
| | | JENENDRA MEDICOS PRIVATE LIMITED |
| | | Through: Mr. Pramod Bhardwaj, Advocato |
| | | versus |
| | | LINTON OF THOTA C ODC |
| | | Through: Mr. Ajay Digpaul, CGSC with I |
| | | |
| | | Swati and Mr. Kamal Digpau |
| | | Advocates for UOI (M: 9811 |
| | | Mr. Avishkar Singhvi, Mr. I |
| | | Ahmed and Mr. Vivek Kumar, |
| | | Advocates (M: 9654847982). |
| | 50 | WITH |
| | | |
| | | |
| Signature Not Verified | | |
| Digitally Signed | | |
| By:DEVANSHU JOSHI | W.P.(C) | 16588/2022 & connected matters |
| Signing Date:13.01.2023 | ` ' | |
| 19:52:41 | | |
| 13.32.41 | + | W.P.(C) 276/2023 & CM APPL.1107/2023 |
| | · | MUNICIPAL CORPORATION OF DELHI Peti: |
| | | Through: Mr. Kunal Vajani, Mr. Kunal I |
| | | |
| | | and Mr. Kartikey Bhatt, Adv |
| | | (M: 7042492840) |
| | | versus |
| | | M/S NATRAJ CONSTRUCTION CO Respo |
| | | Through: None. |
| | 51 | WITH |
| | + | W.P.(C) 277/2023 & CM APPL.1108/2023 |
| | | MUNICIPAL CORPORATION OF DELHI Peti |
| | | Through: Mr. Kunal Vajani, Mr. Kunal I |
| | | and Mr. Kartikey Bhatt, Advo |
| | | (M: 7042492840) |
| | | versus |
| | | |

.... Respo M/S RAM PRAKASH Through: None. 53 WITH + W.P.(C) 294/2023 & CM APPLs.1166-67/2023 MUNICIPAL CORPORATION OF DELHI Petit Through: Mr. Kunal Vajani, Mr. Kunal M and Mr. Kartikey Bhatt, Advo (M: 7042492840) versus M/S RAM PRAKASH Respo Through: None. 54 WITH W.P.(C) 300/2023 & CM APPLs.1184-85/2023 + SATYA NARAYAN SHARMA Petit Through: None. versus VARISCON ENGINEERING SERVICES PVT. LTD..... Responden Through: Mr. Kailash Chandra, Advocate 9810675135). 55 WITH W.P.(C) 302/2023 & CM APPLs.1188-89/2023 MUNICIPAL CORPORATION OF DELHI Petit Through: Mr. Kunal Vajani, Mr. Kunal M Signature Not Verified Digitally Signed By: DEVANSHU JOSHI W.P.(C) 16588/2022 & connected matters Pag Signing Date: 13.01.2023 19:52:41 and Mr. Kartikey B (M: 7042492840) versus SH. CHHATER PAL Through: None. CORAM: JUSTICE PRATHIBA M. SINGH **ORDER**

% 11.01.2023

- 1. This hearing has been done through hybrid mode.
- 2. All these petitions raise important issues arising out of the Micro Small and Medium Enterprises Development Act, 2006 (hereinafter 'MSME Act').
- 3. The ld. Counsel for the Micro & Small Enterprises Facilitation Council shall obtain data relating to the number of references received by the Council since its establishment, the number of matters where conciliation has been successful, and the number of matters wherein disputes have been referred to arbitration. The same shall be filed in the form a chart within one week.

- 4. All these matters shall be treated as part heard.
- 5. The Registry to list these matters on top of board, under the category of MSME matters.
- $W.P.(C)\ 16588/2022\ \&\ CM\ APPLs.52144-45/2022\ W.P.(C)\ 13758/2021\ \&\ CM\ APPL.43444/2021\ APPL.43444/2$
- 6. Submissions heard.
- 7. List on 16th March, 2023.
- W.P.(C) 16942/2022 & CM APPL.53675/2022
- 8. The first issue raised in this petition relate to the fact that the supplier was not registered under the MSME Act when the contract between the parties was entered and services were provided. Further, the second issue is that the MSME Act would not apply as the same would apply only in respect of works contracts. The Respondent disputes this position.
- 9. Respondents are permitted to file counter affidavit/ written submissions on the legal issues raised at least one week before the next date of hearing.
- 10. Parties shall seek an adjournment before the ld. Arbitrator.
- 11. List for hearing on 16th March, 2023.
- W.P.(C) 17725/2022 & CM APPL.56669/2022
- 12. List on 16th March, 2023 along with other MSME matters.
- 13. Interim order to continue till the next date of hearing. W.P.(C) 16567/2022 & CM APPLs.52091-92/2022
- 14. The issues raised in this petition are being considered in a batch of matters. Accordingly, list this matter along with other MSME matters.
- 15. It is clarified that no arbitral tribunal shall be constituted till the next date of hearing.
- 16. List on 16th March, 2023 W.P.(C) 16702/2022
- 17. Written submissions/counter affidavit on the legal issues raised may be filed by both the parties be filed, at least one week before the next date of hearing.
- 18. List on 16th March, 2023 along with all other MSME matters.
- 19. Interim order to continue till the next date of hearing. W.P.(C) 16720/2022

- 20. According to ld. Counsel appearing for the MSEFC, as per the order dated 3rd November, 2022 passed by this Court in W.P.(C) 13653/2022 titled M/s STUP Consultants Pvt. Ltd. v. MSEFC & Ors. the question as to whether a final settlement has been arrived at or not would be an issue which the arbitral tribunal would have to decide.
- 21. It is noticed that the Process Fee is not filed and the Respondents have not been served.
- 22. Issue fresh notice. Registry to also give intimation to all the Respondents on the email addresses mentioned in the memo of parties.
- 23. The interim order passed on 6th December, 2022 shall continue. Parties to file their counter affidavits/ written submissions on the legal issues raised by the next date of hearing.
- 24. List before the Registrar on 6th February, 2023.
- 25. List on 16th March, 2023.
- W.P.(C) 300/2023 & CM APPLs.1184-85/2023
- 26. The issue raised in this petition is that works contracts are not amenable to the jurisdiction of the MSEFC.
- 27. Ld. counsel for the Petitioner relies upon the recent judgment of the Andhra Pradesh High Court dated 26th April, 2022 passed in WP Nos. 27670/2022 titled Rashtriya Ispat Nigam Ltd. v. Union of India. These very issues are also being considered by this Court in various other MSME matters.
- 28. Issue notice.
- 29. Mr. Kailash Chandra, ld. Counsel appearing for the Respondent submits that the Petitioner has not taken any objection before the MSEFC as to the maintainability of the claims and accordingly cannot claim such an objection today.
- 30. It is made clear that the arbitration proceedings shall continue and shall be subject to the outcome of this writ petition.
- 31. List on 16th March, 2023.
- W.P.(C) 16891/2022 & CM APPL.53523/2022 W.P.(C) 16894/2022 & CM APPL.53541/2022 W.P.(C) 16895/2022 & CM APPL.53543/2022 W.P.(C) 276/2023 & CM APPL.1107/2023 W.P.(C) 277/2023 & CM APPL.1108/2023 W.P.(C) 294/2023 & CM APPLs.1166-67/2023 W.P.(C) 302/2023 & CM APPLs.1188-89/2023
- 32. None appears for the suppliers.

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33. These petitions are connected with similar matters raising objections against the reference made by MSEFC.

34. Let notice be served of these petitions upon the suppliers by ld. Counsel for the Petitioner. If the said suppliers wish to file their reply, they are free to do so within two weeks.

35. In the meantime, in W.P.(C) 276/2023, W.P.(C) 277/2023, W.P.(C) 294/2023 and W.P.(C) 302/2023 arbitral tribunal shall not be constituted by the DIAC.

36. List on 16th March, 2023 along with other MSME matters.

37. Dasti.

PRATHIBA M. SINGH, J.

JANUARY 11, 2023 MR/kt