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

+ **W.P.(C) 2603/2026**

Date of Decision: **25.02.2026**

IN THE MATTER OF:

SUGAM TECHNOCRATS PVT LTD

.....Petitioner

Through: Mr. Priyabrat Tripathy, Mr. Rajesh Gupta, Mr. Ayush Acharjee and Mr. Nahush Khera, Advocates

versus

THE MICRO AND SMALL ENTERPRISES FACILITATION COUNCIL & ANR.

.....Respondents

Through: Mr. Shiven Varma (Panel Counsel, GNCTD), Mr. Dhruv Malik, Advocates for R-1.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDR KUMAR KAURAV

J U D G E M E N T

PURUSHAINDR KUMAR KAURAV, J. (ORAL)

CM APPL. 12664/2026 (for exemption)

1. Exemption allowed, subject to all just exceptions.
2. The application stands disposed of.

W.P.(C) 2603/2026

1. The instant petition is for the following reliefs:-

“a) Issue an appropriate writ setting aside the Impugned Order dated 30.10.2025 passed by the Respondent No. 1 in Case No.



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DL/11/M/SWC/02226 and direct the Respondent No. 1 to reconsider the matter once again under Section 18(2) of the MSMED Act; and/or

b) Pass such other and further order(s) as this Hon'ble Court may deem fit and proper in the interest of justice.”

2. Heard learned counsel appearing on behalf of the petitioner.
3. Issue notice.
4. Learned counsel appearing on behalf of the respondents, accepts notice. With the consent of the parties, the matter is taken up for final disposal.
5. The petitioner, a Micro Enterprise registered under the provisions of the Micro Small and Medium Enterprises Development Act, 2006 (hereinafter “**MSMED Act**”) vide Udyam Registration no. UDYAM–DL–11–0059146 has filed the instant petition assailing the order dated 30.10.2025, passed by the Micro Small and Medium Enterprises Facilitation Council (Facilitation Council), whereby the petitioner’s reference under Section 18(1) of the MSMED Act has been rejected (hereinafter “**Impugned Order**”).
6. The sole reason assigned by the Facilitation Council in the Impugned Order for rejecting the petitioner’s reference is that the MSME registration certificate date is 19.05.2023 and date of work order is 24.02.2021.
7. The Supreme Court in the case of ‘*NBCC (India) Ltd. Vs. 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

¹ 2025 INSC 54.



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contract with the buyer.”

8. 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.”

9. Thus, it is clear that the fact of an MSME being unregistered at the time the contract was entered into is immaterial to the jurisdiction and powers exercisable by the Facilitation Council under Section 18 of the MSMED Act.

10. In view thereof, the Impugned Order dated 30.10.2025 is unsustainable and the same is, therefore, set aside.

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

12. All rights and contentions of the parties are left open.

PURUSHAINDR KUMAR KAURAV, J

FEBRUARY 25, 2026

Nc/ksr