

S/L 8
11.11.2025
Court. No. 25
sourav

WPA 24978 of 2025

**Amit Mines Private Limited & Anr.
Vs.
Office of the General Manager & Ors.**

*Mr. Anirban Ray, Sr. Adv.
Mr. Suddosatva Banerjee
Mr. Piyush Agrawal
Ms. Shivangi Thard
Ms. Shrivalli Kajaria*

...for the petitioners.

*Mr. Chakradhar Panigrahi
...for the respondent no. 8 (in person).*

1. The petitioner has filed the present writ application challenging the impugned award dated June 25, 2025 wherein the counsel directed the opposite party (petitioner herein) to pay principal amount of Rs. 65,97,876/- and interest amount of Rs. 190,51,078/- under Section 18(3) of the MSME Act, 2006 from the receipt of this order.
2. The learned counsel for the petitioner submits that the counsel has initially initiated a cancellation process under Section 18(2) of the MSME Act, 2006 for amicable settlement of the dispute between the parties. He submits that though the parties have appeared before the cancellation officer, but instead of passing an order under Section 18(2) whether the cancellation proceeding is settled or terminated has directly passed the impugned order by way of an award.
3. He submits that the Chairman cannot pass an award in the proceeding initiated under Section 18(2) of the MSME Act. The learned counsel for the petitioner has

relied upon a judgment in the case of ***Lloyd Insulations (India) Ltd. Vs. State of West Bengal & Ors.*** reported in ***2014 SCC Online Cal 20072*** and submits that in the said case also the Hon'ble Division Bench of this Court has categorically held that if the proceeding is initiated under Section 18(2), the council directly cannot pass an award unless the parties have come to a settlement. If the parties fail to settle the matter, it is to be terminated and further proceeding is to be initiated under Section 18(3) of the said Act under the Arbitration and Conciliation Act for appointment of arbitrator.

4. Considered the submissions made the learned counsel for the petitioner. Perused the judgment relied upon by the petitioner, this Court finds that the council has initiated the proceeding under Section 18(2) of the act after the matter remanded by the Orissa High Court. The Chairman has passed an award but that award does not reflect that the parties have settled the dispute and on the basis of the settlement, an award is passed. It reveals that in the absence of the petitioners, the Chairman has passed the impugned award
5. This Court finds that the petitioner has made out a *prima facie* case. The counsel cannot pass an award unless and until the parties settle the dispute under Section 18(2) or if it is not settled, it is to be terminated and the proceeding is to be initiated under the Arbitration and Conciliation Act.

6. In view of the above, the operation of the impugned award is stayed till December 2, 2025.
7. Let the matter appear on November 28, 2025.
8. The petitioner is directed to serve a copy of the writ application along with all documents to the respondents.

(Krishna Rao, J.)