



2024:DHC:5987



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

+ **ARB.P. 1296/2023**

**M/S SMC INTEGRATED FACILITY MANAGEMENT
SOLUTIONS LTD. (PREVIOUSLY KNOWN AS SERVICE
MASTER CLEAN LTD.)**Petitioner

Through: Mr. Anupam Kishore Sinha,
Mr. Pradeep Kumar Tiwari, Mr. Sahitya
Srivastava and Mr. Apoorv Jha, Advs.

Versus

**QUANTUM NATURALS INDIA
PRIVATE LIMITED**

.....Respondent

Through: None

**CORAM:
HON'BLE MR. JUSTICE C. HARI SHANKAR**

JUDGMENT (ORAL)

% **09.08.2024**

ARB.P. 1296/2023

1. This is a petition under Section 11(6) of the Arbitration and Conciliation Act, 1996¹ seeking reference of the dispute between the parties to arbitration.

2. The dispute arises in the context of a Service Provider Agreement dated 8 July 2019 between the petitioner and the respondent, whereunder the petitioner was contracted for providing



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certain services to the respondent.

3. The agreement envisages resolution of the disputes, if they arose, by arbitration. The relevant clause read thus:

“13.4 Where the dispute could not be settled by the Parties as per clause 13.3, then such dispute shall be referred to arbitration in accordance with the provisions of Arbitration and Conciliation Act, 1996.

Parties shall appoint a single arbitrator mutually. The arbitration proceedings shall be conducted in New Delhi, or in such other city as the Parties may mutually agree upon. The arbitration proceedings shall be conducted in the English language. The decision of the arbitrator will be final and binding on the Parties.”

4. Alleging that an amount of ₹ 17,78,270 was due from the respondent to the petitioner, which could not be resolved by mutual consultation, the petitioner addressed a notice to the respondent on 5 June 2023 under Section 21 of the 1996 Act, seeking reference of the dispute to arbitration.

5. The respondent did not reply. The petitioner has, therefore, approached this Court under Section 11(6) of the 1996 Act, seeking intervention of the Court in the appointment of the arbitrator to resolve the dispute.

6. Notice stands issued in this petition as far back as on 7 December 2023. There is, however, till date, no reply from the respondent. The matter was referred to mediation under the aegis of

¹ “the 1996 Act”, hereinafter



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the Delhi High Court Mediation and Conciliation Centre. However, the Mediation Centre reports that the dispute could not be settled in mediation.

7. The respondent is absent when the matter has been called out.

8. The recent decision of the Supreme Court in ***SBI General Insurance Co Ltd v. Krish Spinning***² requires the Section 11(6) Court to examine only where an arbitration agreement exists between the parties and where the Section 11(6) petition has been filed within three years of the issuance of the Section 21 notice. In the present case, both these questions are answerable in the affirmative. As such, the Court has necessarily to refer the dispute to arbitration as the parties have not been able to arrive at an agreement in that regard.

9. In view of the matter, the dispute is referred to the Delhi International Arbitration Centre (DIAC), which would appoint a suitable arbitrator to arbitrate on the disputes between the parties.

10. The arbitration would take place under the aegis of the DIAC and would abide by its rules and regulations. The learned arbitrator shall be entitled to fees as per Schedule of fees maintained by the DIAC.

11. The learned arbitrator is also requested to file the requisite disclosure under Section 12(2) of the 1996 Act within a week of

² 2024 SCC OnLine SC 1754



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entering on reference.

12. The petition stands allowed in the aforesaid terms, with no order as to costs.

C.HARI SHANKAR, J

AUGUST 9, 2024

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Click here to check corrigendum, if any