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

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Date of decision: 16.12.2021

+ ARB.P. 1005/2021

WELL PROTECT MANPOWER SERVICES PVT. LTD.

..... Petitioner

Through Mr.Tarkeshwarnath, Mr.Harshit
Singh, Mr.Surya Panwar & Mr.Lalit
Mohan, Advs.

versus

GURU TEG BAHADUR HOSPITAL Respondent
Through Mr.Shalok Chandra, Adv.

CORAM:
HON'BLE MR. JUSTICE SURESH KUMAR KAIT

J U D G M E N T (oral)

1. The present petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of sole Arbitrator to adjudicate the disputes with respondent.

2. Petitioner is a company registered under the Companies Act, 1956 and is engaged in the business of providing security services and is in business of executing projects in several sectors like Transport, Energy & Power, Mining, Buildings, Marine, Industrial Structures and Real Estate.

3. As per the averments made in the present petition, respondent was

awarded a contract to the petitioner for rendering security services of 222 security guards and 2 security supervisors in the premises of GTB Hospital initially for the period from 19.04.2017 to 30.06.2017 and agreement to this effect was signed between the parties on 22.06.2017. As payment for services of 2 security supervisors has not been mentioned in the abovesaid agreement, an addendum was also signed between the parties on 14.08.2017 and agreed that the reimbursement of payment of workers of the contractor shall be as per the existing Minimum Wages as notified by the Labour Department, Government of NCT of Delhi. The respondent extended the contractual period from time to time.

4. It is submitted by counsel for the petitioner that suddenly respondent started making deduction from the bills raised by the petitioner for the period starting July, 2020 onwards. Upon this, petitioner sent various letters dated 28.12.2020, 06.01.2021, 20.01.2021, 29.01.2021 and 05.02.2021 and in response thereto, respondent informed that the Auditors from AGCR calculated over payment of Rs.2.27 crore to the petitioner towards relieving charges claimed in the bills towards deployment of the personnel on paid weekly off days of the regular security personnel. It is further submitted that after pursuing the Audit report, it reveals that the said Audit Report is based

on the premise that contract rate for payment includes the wage of relievers, deployed by the petitioner on weekly off day in place of the regular security guards/supervisors.

5. Counsel for the petitioner submits that respondent is in gross violation of the contractual provisions and labour laws as they have made illegal deductions from the bills of the petitioner. On 15.03.2021, petitioner sent a legal notice under Section 80 CPC to the respondent/Hospital calling upon them to make payment of Rs.2.27 crores along with interest @ 24% p.a. from the date of deduction till realization, however, respondent in its response denied the same. Thereafter also, petitioner made efforts to settle the dispute amicably but the respondent did not turn up.

6. Hence, petitioner sent a notice to the respondent under Section 21 of the Arbitration and Conciliation Act, 1996 for invocation of Clause 56(a) of the Terms and Conditions of the Contract and appointment of sole arbitrator, however, respondent failed to appoint the Arbitrator and thus, the present petition has been filed.

7. Learned counsel appearing on behalf of respondent has disputed the claims raised in the present petition, however, has not objected to the appointment of sole Arbitrator by this Court for adjudication of dispute

between the parties.

8. In view of the above, the present petition is allowed. Accordingly, **Mr. Justice (Retd.) H.R. Malhotra (Mobile: 9311510400)** is appointed sole Arbitrator to adjudicate the dispute between the parties.

9. The fee of the learned Arbitrator shall be governed by the Fourth Schedule of the Arbitration and Conciliation Act, 1996.

10. The learned Arbitrator shall ensure compliance of Section 12 of Arbitration and Conciliation Act, 1996 before commencing the arbitration.

11. The present petition stands disposed of accordingly.

12. A copy of this order be sent to the learned Arbitrator for information.

(SURESH KUMAR KAIT)
JUDGE

DECEMBER 16, 2021
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