



2024:DHC:9702



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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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Date of Decision: 16.12.2024+ ARB.P. 2015/2024AMALTAS AYURVEDA THROUGH CHIEF MEDICAL OFFICER
.....PetitionerThrough: Mr. Vishwendra Verma, Ms. Shivali,
Mr. Archit Verma and Mr. Abhishek
Nagar, Advs.

versus

THE DIRECTOR GENERAL DIRECTORATE GENERAL OF
HEALTH SERVICES GOVT OF NCT OF DELHI AND ORS

.....Respondents

Through: Mohd. Irshad, ASC along with
Ms. Nasreen and Mr. Kunal, Advs.**CORAM:****HON'BLE MR. JUSTICE SACHIN DATTA****SACHIN DATTA, J. (ORAL)****IA No.48051/2024 (Exemption)**

1. Allowed, subject to all just exceptions.
2. Application stands disposed of.

ARB.P. 2015/2024

3. The present petition under Section 11(6) of the Arbitration and Conciliation Act, 1996 (hereinafter referred as 'the A&C Act') seeks appointment of a Sole Arbitrator to adjudicate the disputes between the parties.

4. The factual background of the matter is that the respondent issued an offer letter dated 28.09.2021, inviting applications for the empanelment of hospitals and diagnostic centres to provide healthcare services to



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beneficiaries under the Delhi Government Employees Health Scheme (DGEHS). The petitioner was duly empanelled by DGEHS on 08.02.2022 vide an Office Memorandum bearing no. F.No.25 (III)/ DGEHS/ DHS/ 205/ 2011/ Pt.-III/13680-930.

5. Thereafter, the parties entered into an agreement dated 27.10.2021 (hereinafter '*the Agreement*'). As per the Agreement, the petitioner was obligated to provide healthcare services to DGEHS beneficiaries within prescribed rates.

6. The arbitration clause in the Agreement between the parties is in the following terms: -

"29. In the event of any question, dispute or difference whatsoever at any time arising under the conditions of Agreement or in any other manner under this Agreement or in any way relating thereto or the true meaning or interpretation of any of the provisions thereof (except any matters for which the decision is specifically provided for in the conditions of the Agreement), the same shall be referred to for decision to a sole Arbitrator who shall be appointed by the Lt. Governor, N.C.T. of Delhi or his nominee and the decision of the Arbitrator shall be final and binding on both the parties.

In the event of the arbitrator appointed by the Lt. Governor, N.C.T. of Delhi, or his nominee dying, neglecting or refusing to act or resigning or being incapable or unable to act for any reason, whatsoever, it shall be lawful for the Lt. Governor, N.C.T. of Delhi or his nominee to appoint another arbitrator in place of outgoing arbitrator in the manner aforesaid.

Subject to the above the Arbitration and Conciliation Act, 1996 or any modification or replacement and the rules hereunder and any statutory modifications thereof for the time being in force shall apply to the arbitration proceeding under this clause."



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7. The empanelment of the petitioner under DGEHS was withdrawn with effect from 13.03.2023 by the respondent vide office memorandum dated 10.03.2023.
8. Disputes between the parties arose when despite providing treatments to DGEHS beneficiaries till 13.03.2023, the respondent failed to reimburse the petitioner for an outstanding amount of ₹12,59,925/-.
9. Numerous written representations were made by the petitioner, including communications dated 25.06.2023, 12.10.2023, and 26.10.2023. However, no payments were released.
10. On 25.06.2024, the petitioner issued a legal notice demanding payment of the outstanding amount, while also invoking the arbitration clause in the event the respondent failed to settle the dues. In response, the respondent, through a reply dated 13.08.2024, denied the petitioner's claims, alleging that it was, in fact, the petitioner who had breached the terms of the contract.
11. Thereafter, the petitioner has approached this Court, through the present petition, seeking the appointment of a Sole Arbitrator to adjudicate the dispute.
12. Since the existence of the arbitration clause is evident from a perusal of the Agreement, there is no impediment to constituting an arbitral tribunal for adjudicating the disputes between the parties, as mandated in terms of the judgments of the Supreme Court in *SBI General Insurance Co. Ltd. v. Krish Spinning*, 2024 INSC 532 and *Interplay between Arbitration Agreements under the Arbitration & Conciliation Act, 1996 & the Indian Stamp Act, 1899*, In re, 2023 SCC OnLine SC 1666.



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13. Further, in terms of the judgments of the Supreme Court in *Perkins Eastman Architects DPC v. HSCC (India) Ltd* (2020) 20 SCC 760, *TRF Limited v. Energo Engineering Projects Ltd*, (2017) 8 SCC 377 and *Bharat Broadband Network Limited v. United Telecoms Limited*, 2019 SCC OnLine SC 547, it is incumbent on this Court to appoint an independent sole arbitrator to adjudicate the disputes between the parties.

14. Accordingly, Mr. Abhinash Agarwal, Advocate (Mobile - +91 9953676030) is appointed as the Sole Arbitrator to adjudicate the disputes between the parties to the agreement dated 27.10.2021.

15. The respondent shall be entitled to raise preliminary objections as regards jurisdiction/arbitrability, which shall be decided by the learned arbitrator, in accordance with law.

16. The learned Sole Arbitrator may proceed with the arbitration proceedings subject to furnishing to the parties requisite disclosures as required under Section 12 of the A&C Act.

17. The learned Sole Arbitrator shall be entitled to fee in accordance with IV Schedule to the A&C Act; or as may otherwise be agreed to between the parties and the learned Sole Arbitrator.

18. All rights and contentions of the parties in relation to the claims/counter-claims are kept open, to be decided by the learned Arbitrator on their merits, in accordance with law.

19. Needless to say, nothing in this order shall be construed as an expression of this court on the merits of the case.

20. The present petition stands disposed of in the above terms.

DECEMBER 16, 2024/cl

SACHIN DATTA, J