

Did UIDAI cite ‘force majeure’ clause to not pay vendors?

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BENGALURU: Bengaluru: Aadhaar issuing body UIDAI is alleged to have invoked the force majeure clause to not pay some BPM (business process management) providers for services they rendered in April.

A force majeure clause provides temporary reprieve to a party from performing its obligations under a contract when an event occurs which the parties could not have anticipated and controlled. The force majeure in this case is the Covid-19 pandemic.

Some employees of Conneqt Business Solutions, formerly Tata Business Support Services, have taken to Twitter to express their anguish over not getting their April salary and have tagged the PMOIndia and UIDAI CEO twitter handles.

An employee, Kumar Samrat Mukherjee, tweeted: “In this critical situation our company CBSL (conneqt business solution limited) is unable to provide salary due to (UIDAI) clients denied to pay hence company (CBSL) is not releasing the salary of their employees.” Another employee, Payal Deb, tweeted: “Honorable Sir/ Mam, as a employee of CBSL kolkata in UIDAI process. Want to inform you UIDAI has denied to credit funds CBSL in the last moment, now CBSL are not able to pay salary of us please help us to survive.”

Around 800 employees of Conneqt provide a host of customer services through voice and email support to UIDAI. These employees are based across eight centres including Jamshedpur, Pune and Kakinada. When TOI contacted its spokesperson, he said, “These are difficult times for companies across sectors, ours included. If our clients are impacted it has an adverse impact on us as well. We are in discussion with the client and we are hopeful that we will have a favourable response from them, for our people.” Conneqt is a subsidiary of Bengaluru-based Qess Corp, a major player in staffing solutions and facilities management.

Sources told TOI that Tech Mahindra, another BPM service provider to UIDAI, is affected too. An email sent to UIDAI did not elicit a response till the time of going to press. Tech Mahindra said it does not comment on its customers.

Vikram Shroff, head of HR law practice at law firm Nishith Desai Associates, said that whether Covid-19 and resultant lockdown can be categorised as a force majeure event in relation to a contract is likely to be tested in the courts, "not just in India but internationally as well."