

Government of India
Directorate General of Works
Central Public Works Department

22

No. DG(W)/CON/14

New Delhi, dated 1.3.88

M E M O R A N D U M

Subject:-Intimation to contractor regarding deposit of amount of arbitration Award in the competent court.

A case has come to the notice of this Directorate where the amount of an interest bearing arbitration award in favour of a contractor was deposited by the E.E. with the competent Court, for payment to the contractor after the award was made a rule of the court. This was apparently done to avoid further accrual of interest. However, the E.E. concerned did not send any intimation to the contractor about the amount having been deposited in the court.

The Hon'ble High Court of Delhi while delivering judgement in above case has inter-alia held as under:-

"A judgement-debtor is bound to satisfy a money decree either by paying the decretal amount to the decree-holder direct out of the court or by depositing the same in the Court which has a duty to execute the decree but in such latter case a duty is cast on the Judgement-debtor to serve a notice of such deposit on the decree-holder and the decree holder has a right to claim interest due under the decree from the judgment-debtor till the date of receipt of such notice".

The Hon'ble High Court therefore allowed further interest, for the period upto the date the contractor got notice of deposit during the trial of the case.

In view of the above decision, all concerned are directed the whenever amount of an arbitration award is deposited in court, an intimation to this effect should simultaneously be given to the contractor in order to avoid situations of the kind described above.

Atmali

(A.S. Sidhu)
F.O. to DG(Works)

Issued from file No.1/1/88-A&C(DGW)

To

1. All CEs/SEs in CPWD (including Hort. Directorate, Delhi Admn. and A.P.)
2. All EEs in CPWD (including Hort. Directorate, Delhi Admn. and A.P.)

Contd...2/-