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Government of India
Directorate General of Works
Central Public Works Department

No. DGW/CON/79

New Delhi, dated the

19/5/95
Feb., 1955

C I R C U L A R

Subject: Challenging of awards.

It has been noticed that a number of cases of arbitration awards are being recommended by Chief Engineers for challenging the same on some grounds.

In this regard, it is pointed out that under Arbitration Act, the grounds on which the arbitration awards can be challenged are very limited as indicated therein and the Courts of Law are reluctant to go into the merits of awards themselves. The limited grounds on which the awards can be challenged are specified in Section 30 of the Arbitration Act 1940 which is reproduced below:

"Grounds for setting aside award- An award shall not be set aside except on one or more of the following grounds, namely:

- (a) That an arbitrator or umpire has misconducted himself or the proceedings;
- (b) that an award has been made after the issue of an order by the Court superseding the arbitration or after arbitration proceedings have become invalid under Sec.35.
- (c) that an award has been improperly procured or is otherwise invalid.

Since almost all the awards are interest bearing the question of depositing the awarded amount in the court should invariably be examined by CEs to save payment of interest. Chief Engineers should, therefore, consider the above aspects and give specific recommendations within the permissible grounds given in the Arbitration Act. They should also give specific recommendations on the issue of depositing the amount in the Court of Law whenever they recommend challenging of awards in the case of interest bearing awards.

(Issued from File No. 1/1/94-L&C/DG(W)).

(S. SATAKOPAN)
F.O. TO D.G. (WORKS)