



# CENTRAL PUBLIC WORKS DEPARTMENT

## OFFICE MEMORANDUM

No. DGW/MAN/45

ISSUED BY AUTHORITY OF DIRECTOR GENERAL OF WORKS

NIRMAN BHAWAN, NEW DELHI

26 April, 2000

### ACCEPTANCE OF ARBITRATION AWARDS INVOLVING INTEREST AWARDED BY THE ARBITRATOR

Instructions regarding acceptance of Arbitration award are contained in para 36.56 to 36.63 of CPWD Manual Vol.II, 1988 and the latest delegation of powers to various officers in this regard is contained in OM No. DGW/MAN/7 dated 1.1.97. A doubt has been raised as to whether the amount of interest, if awarded by the Arbitrator, is also to be included in the amount of the award for the purpose of exercising these powers.

It is clarified that the Arbitration award means the total award including the interest awarded by the Arbitrator. The amount of such interest is to be worked out upto the date specified in the award. Therefore, the amount of interest has to be taken into consideration while deciding the authority competent to accept the award. However, in case no fixed date is specified in the award and the interest is to be paid upto the date of actual payment of award amount to the contractor, the likely date of such payment may be taken into consideration. There may be a situation that after acceptance of the award by the competent authority, the actual payment to the contractor gets delayed beyond the anticipated date due to some unavoidable circumstances and the amount of interest increases to an extent that the total amount of award exceeds the power of acceptance of the authority that accepted the award. In such cases, the payment may be made to the contractor as early as possible and the case may be submitted to the next higher authority, competent to accept the increased amount of award, for ex-post-facto approval.

(P.K.Mathur)  
Superintending Engineer (C&M)