



Coromandel Law

Striding Forward Together

**Krishna Devi v. Union of India: The Supreme Court reiterates
the law on sufficient notice of an arbitral award under the
Arbitration Act, 1940**

17 January 2025

Krishna Devi v. Union of India: The Supreme Court reiterates the law on sufficient notice of an arbitral award under the Arbitration Act, 1940¹.

Executive Summary

1. Some important takeaways from this decision of the Supreme Court of India, are that:
 - (a) In arbitrations under the Arbitration Act, 1940 the limitation period to set aside the award begins when parties receive notice of the ‘filing of the award’ in Court for enforcement.
 - (b) The notice of the filing of the award need not be a formal notice and the party being made aware of the award’s existence and accessibility is considered sufficient notice to allow the party to access the award and make its objections if any.
2. The Arbitration Act, 1940 contained a mechanism where awards were filed before the jurisdictional Court which had the option to modify, remit or set aside the award. Once the time limit to file objections to the award and seek its setting aside had elapsed, the Court could, on application by the award-holder, pronounce a judgement in terms of the award. Thereby converting the award into a decree of the Court.
3. The Supreme Court in the decision under discussion reiterated that the limitation for filing objections to the award and seeking its modification / setting aside commences when the party is made aware that the award has been filed in Court.

Introduction

4. The Supreme Court of India in its decision dated 3 January 2025, in *Krishna Devi alias Sabitri Devi (Rani), SR Engineering Construction v. Union*

¹ We acknowledge and thank Mr. Y. Akshit Reddy, Hidayatullah National Law University for his assistance on this insight.

*of India and Ors*² (“**Krishna Devi**”) set aside a decision of the Guwahati High Court which held that an award holder had prematurely filed an application under Section 17 of the Arbitration Act, 1940 (“**1940 Act**”) as the time limit within which objections to the award could be filed, had not elapsed.

5. The Supreme Court examined whether an order of the District Court informing the award debtor that the award had been filed and could be accessed subject to the award-debtor clearing the arbitrator’s fee, constituted sufficient notice for the commencement of the period within which an application to set the award aside could be made.

Factual Matrix

6. The arbitration between the parties arose out of a work order by the Government of India to a sole proprietorship firm for the construction of an armament section at Tezpur, Assam. The dispute between the parties arose from the non-payment of certain Running Account Bills from 1993.
7. An arbitrator came to be appointed in 2019 owing to the Appellant (before the SC) having approached Courts which lacked jurisdiction prior to approaching the jurisdictional District Court at Sonitpur. The arbitrator issued an award dated 31 May 2022 in favour of the Appellant for a sum of approximately Rs. 1.33 crores with interest at 9% until realization.
8. The Respondent (Award Debtor) refused to pay the arbitrator’s fee and as a result, the award could not be published. An order was passed by the District Court, Sonitpur on 21 September 2022 directing the

² Krishna Devi alias Sabitri Devi (Rani), S.R. Engineering Construction v. Union of India and Ors | 2025 SCC OnLine SC 24

respondent to clear its dues after which a copy of the award would be furnished to it. The Respondent finally paid its dues to the arbitrator and received notice of filing of the award on 18 November 2022.

9. In the meantime, the Appellant (Award Holder), filed an application seeking the pronouncement of judgement in terms of the award on 10 November 2022. This application was dismissed by the District Court on the basis that the limitation period for seeking the setting aside of the award had not yet elapsed.
10. The Appellant, aggrieved by this order approached the Guahati High Court in a Civil Revision Petition under Section 115 of the Code of Civil Procedure, 1908. The Gauhati High Court upheld the District Court's decision on the same basis that the limitation period for the setting aside of the award has not elapsed because the Respondent had received notice of the award only on 18 November 2022 after clearing its dues towards the arbitrator's fee.
11. The Appellant then approached the Supreme Court through a Special Leave Petition under Article 136 of the Constitution of India.

Analysis

12. The issue that the Supreme Court examined was the sufficiency of notice of filing an award before a jurisdictional Court under the 1940 Act.
13. The Appellant contended that the Respondent was made aware of the existence of the award and its filing before Court on 21 September 2022 when the District Court, Sonitpur directed it to pay the arbitrator's fee to access the award. According to the Appellant this was sufficient notice of the filing of the award in Court since the Respondent could have taken steps to access the award and prepare its objections.

14. The Respondents contentions were that a direction to pay arbitrator's fee was not tantamount to the award being made accessible to it and therefore could not be counted as notice of the filing of the award in Court. It further contended that Section 14(2) of the 1940 Act required a formal notice of filing of the award which it received only on 18 November 2022.
15. The Supreme Court noted that while Section 14(2) of the 1940 Act required that the Court 'give notice' to the parties, there was no requirement as to the form such a notice would take. Therefore, the intention of the provision appeared to be to make the parties aware of the existence of the award so that any objections thereto could be placed before the Court.
16. The Supreme Court noted its decision in *Nilkantha Sidramappa Ningashetti v. Kashinath Somanna Ningashetti*³ where it held that the term 'notice' in Section 14 of the 1940 Act did not exclude informal expressions. The Court noted that applying a literal interpretation of the provision would lead to a situation where a party otherwise aware of an arbitral award could delay filing its objections to the same, which goes against the intention of the 1940 Act to enable the speedy resolution of disputes.
17. The Supreme Court's decision in *Food Corporation of India v E. Kuttapan*⁴ was also considered, in particular, the ruling that the party's pleader being made aware that the award had been filed before Court was sufficient notice for the purposes of Section 14(2) of the 1940 Act, and that the 1940 Act did not insist on any specific form of notice.

³ Nilkantha Sidramappa Ningashetti v. Kashinath Somanna Ningashetti | 1961 SCC Online SC 75

⁴ Food Corporation of India v E. Kuttapan | (1993) 3 SCC 445

18. The decisions of the Supreme Court in *Indian Rayon Corporation Ltd. v. Raunaq and Co*⁵ and *Bharat Coking Coal Ltd. v. C.K. Ahuja*⁶ were also examined, leading the Supreme Court to conclude that –

*“... We find that the interpretation in this decision is in line with the intent of the 1940 Act, which is designed to resolve disputes at a quick pace. Any contrary interpretation will give a license to the award-debtor to delay the arbitration by insisting on procedural nuances despite being aware that an award exists and that its contents are accessible to it.”*⁷

19. Applying the principles in these decisions, the Supreme Court held in the facts of the case before it, that the Respondents were made aware of the filing of the award before Court vide the District Court’s order dated 21 September 2022 which also communicated to the Respondent that the award was accessible upon its clearing the arbitrator’s pending fee.
20. The Supreme Court set aside the decision of the Guahati High Court and clarified that the Appellant’s application for pronouncement of judgement in terms of the award was beyond the period fixed for filing objections to the award.
21. The Supreme Court also issued a direction to the District Court, Sonitpur to take up and dispose the Appellant’s application expeditiously.

⁵ Indian Rayon Corporation Ltd. v. Raunaq and Co | (1988) 4 SCC 31

⁶ Bharat Coking Coal Ltd. v. C.K. Ahuja | 1995 Supp (1) SCC 744

⁷ Krishna Devi | 2025 SCC OnLine SC 24 at [17]