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No. 53/2/6/91-Cab.
GOVERNMENT OF INDIA (BHARAT SARKAR)
CABINET SECRETARIAT (MANTRIMANDAL SACHIVALAYA)

New Delhi, the 31st December, 1991.

OFFICE MEMORANDUM

Subject: Settlement of disputes between one Government Department and another and one Government Department and a Public Enterprises and Public Enterprise and another.

The undersigned is directed to refer to this Secretariat O.M. No. 53/3/1/84-Cab. dated 12th March, 1985 and the O.M. No. 15/9/86-BPE(FAN) dated 30-3-89 issued by the BPE on the subject (copies enclosed for ready reference) and to say that inspite of these instructions there are instances where public sector undertakings have resorted to legal proceedings instead of complying with these instructions causing avoidable embarrassment to Government. In a recent Civil Appeals case between the ONGC and the Collector of Central Excise, Bombay, Hon. Supreme Court has taken adverse notice of Public Sector Undertakings pursuing litigations in Court by spending money on fees etc., and wasting public time notwithstanding Court's repeated observations to the contrary in past cases.

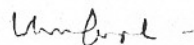
2. In the aforesaid case, the Supreme Court has directed that a Committee under the control of Cabinet Secretary shall be set up to ensure that no litigation reaches the Court or a Tribunal without the matter having been first examined by the Committee.

3. Accordingly, it has been decided to constitute a Committee consisting of :

1. Cabinet Secretary.
2. Secretary, Department of Industrial Development.
3. Secretary, Department of Public Enterprises.
4. Secretary, Department of Legal Affairs.
5. Finance Secretary.
6. Secretary of the concerned Ministry/Department.

4. The instructions regarding settlement of disputes between one Government Department and another and one Government Department and a Public Enterprise and between Public Enterprises themselves as contained in this Secretariat Memo. referred to in para 1 above need to be strictly followed in all cases. If, however, no final decision can be arrived at following the said instructions, the concerned Ministry/Department or the concerned Public Sector Undertaking through their administrative Ministry/Department should refer such cases to the Cabinet Secretariat with a self-contained note for placing before the above constituted Committee for decision. Further, it has to be ensured that no litigation involving such disputes is taken up in a Court or a Tribunal without the matter having been first examined by the above constituted Committee and the Committee's clearance for litigation is obtained.

5. The foregoing instructions may be brought to the notice of all concerned for guidance and strict compliance.


(Deepak Das Gupta)
Joint Secretary to the Cabinet

To

Secretary, Department of Legal Affairs.
Secretary, Department of Industrial Development.

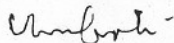
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Finance Secretary.

Secretary, Department of Public Enterprises with the request that immediate instructions may be issued to all public sector enterprises to comply with the court's direction.

All other Secretaries/ Additional Secretaries to Government for information and necessary action.



(Deepak Das Gupta)
Joint Secretary to the Cabinet

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