

DPE-GM-12/0005/2019-GM-FTS-10714
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

**Public Enterprises Bhawan,
Block no. 14, CGO complex,
Lodhi Road, New Delhi-110003.**

Dated: 27th March, 2020

OFFICE MEMORANDUM

Subject: Settlement of commercial disputes between Central Public Sector Enterprises (CPSEs) inter se and CPSE(s) and Government Department(s) / Organization(s) – Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

The undersigned is directed to inform that DPE has been receiving various references from CPSEs with regard to resolving their commercial disputes with other Government entities especially in respect of the cases where the 'award' given under the erstwhile PMA mechanism remained unimplemented by one of the parties to the dispute. It may be mentioned that DPE has issued instructions from time to time that all commercial disputes concerning CPSEs with other CPSEs / Government entities are to be settled strictly in terms of DPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22.05.2018 containing detailed guidelines on the AMRCD mechanism and subsequent clarifications issued thereon dated 04-07-2018, 11-07-2018 and OM No. DPE-GM-05/0003/2019-FTS-10937 dated 20th February, 2020 regarding extension of the AMRCD to all commercial disputes (excluding taxation matters) between Government organizations.

2. It is reiterated that any pending disputes including matters related to enforcement of 'awards' given by the erstwhile PMA mechanism or any appeal arising out of the decision of the Committee of Secretaries (CoS) under AMRCD concerning a CPSE with any Government entity under Central Government / State Government / Union Territory Administration or vice-versa (excluding taxation matters) is required to be referred only to the AMRCD mechanism **by the concerned administrative Ministry / Department** in terms of Para4-A of OM dated 22.05.2018 read with subsequent clarifications and OM dated 20-02-2020 referred above (copies enclosed).


3. All the administrative Ministries / departments and State / Union Territories are therefore advised to direct the CPSEs and other organizations under their administrative control to follow the detailed procedure given in para 4 of the DPE OM dated 22.5.2018 which inter alia prescribes the following detailed procedure:

“at the first level the claiming party(Claimant) will approach the FA of it's administrative Ministry/Department for representing the dispute before the Secretary of it's administrative Ministry/Department. The Secretary of administrative Ministry/Department of claiming party will intimate the same to the Secretary of administrative Ministry/Department of responding party (Respondent) and Secretary, D/o Legal Affairs and thereafter meeting will take place in the administrative Ministry/department of the claiming party to examine the fact and resolve the dispute on merit. The FAs of the concerned administrative Ministry/department will represent the issues related to the dispute in question before the above Committee. After arriving at a decision by the Committee, the Secretary of the administrative Ministry/department of the claiming party will write down the decision and it will be signed jointly by both the Secretaries and Secretary, Legal Affairs. A copy of the decision will be communicated by the Secretary of the administrative Ministry/department of the claiming party to each party to the dispute for implementation. “

4 It may further be mentioned that no appeals are to be made at the 2nd level/tier) (Cabinet Secretary) in such matters, including those in which Sole Arbitrator has passed order before the date of notification of AMRCD, unless the resolution of the disputes has been considered at the level of Administrative Ministry / Department as per AMRCD (refer DPE OM dated 04.07.2018). Any appeal with reference to resolution of the commercial dispute of CPSEs under AMRCD may be made to the 2nd level/tier (Cabinet Secretary) through its administrative Ministry/department only after exhausting the channel of dispute resolution at the level of the Committee of Secretaries of the administrative Ministries / Departments of disputing CPSEs and Secretary D/o Legal Affairs (i.e. first level of dispute resolution under AMRCD) in terms of DPE OM dated 11-07-2018.

5. This issues with the approval of Competent Authority.

Encl. as above.


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To
Secretaries of all Ministries / Departments concerned with CPSEs through e-mail as per list.

Copy to:-

- I. Chief Secretaries of all States / Union Territories.
- II. CMD / Chief Executive of all CPSEs through e-mail.
- III. Secretary, Department of Legal Affairs, 4th Floor, Shastri Bhawan, New Delhi.
- IV. Cabinet Secretariat in reference to minutes of CoS meeting held on 23.01-2020.
- V. NIC, Cell DPE for uploading on DPE web-site under what's-new and DPE guidelines / Chapter-VII-(a)