

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

The undersigned is directed to refer to Cabinet Secretariat OM No.53/3/6/91-Cab. dated 31st December, 1991 regarding setting up of a Committee of Secretaries in the wake of the directions of the Supreme Court. Government have accepted the views expressed by the Hon'ble Supreme Court of India that the public undertakings of Central Government and the Union of India should not file litigation in court by spending money on counsel, court fees, procedural expenses and wasting public time. As per the procedure evolved now, any litigation involving Ministries and public undertakings of Government of India before being taken up in courts or tribunal the matter be first examined by the Committee set up by Cabinet Secretary in order to get clearance for litigation. This Committee of Secretaries comprising of Cabinet Secretary, Secretary ID, Secretary DPE, Secretary Deptt. Of Legal Affairs, Finance Secretary and the concerned Secretary clear cases for litigation to be taken up with courts and tribunal.

2. There may be cases, which require appeal to ITAT, CEGAT, Railway claims Tribunal arising in the different PSEs. It has now been further decided that any Public Sector Enterprises desiring to go for appeal to ITAT/CEGAT/ Railway claims Tribunal or courts should first get each case of dispute scrutinized carefully by their Board of Directors. The Board of Directors should clearly recommend after careful examination of all aspects of the case, whether it should be taken up to the Tribunal/Court. On the recommendations of the Board of Directors that the case should go to Tribunal or Court, it will again be scrutinized by the administrative Ministry/Department concerned. Secretary to the administrative Ministry/Department would then carefully scrutinise the case in order to decide whether an appeal before Tribunal or Court is necessary and worthwhile.

3. While analysing the judgement, the Boards and Secretaries in the administrative Ministries would keep in mind the observation of the Supreme Court regarding the cost of litigation, the importance of the case, magnitude of the amount involved, repercussions in similar cases, etc. This procedure would enable proper filtering of the cases to meet the directives of the Supreme Court who are concerned about the unnecessary litigation. Only such cases that are recommended for appeal to ITAT/CEGAT/Railway Claims Tribunal and court by the administrative Secretaries of Ministries/ Departments should be put up to the aforesaid Committee of Secretaries for getting clearance for further litigation.

4. The above instructions and procedures are brought to the notice of all concerned with a request that they may please be followed carefully.

(DPE O.M. No.3/3/91-PMA dated 5th May, 1993)
