To

The Chief Executives of all CPSEs.

Subject: - Arbitration cases between CPSEs and other organizations.

Sir/Madam,

Attention is invited to PMA guidelines contained in OPE O.M. No. 4(1)/2011-DPE(PMA)-GL dated 12th June, 2013. As per the guidelines the mechanism of PMA is primarily meant for disputes between Central Government Departments and Central Public Sector Enterprises (CPSEs) and disputes relating to Commercial contracts between CPSEs. It is not applicable to contracts signed between a Government Department/organisation/PSE and a private party.

2. Accordingly all CPSEs are required to ensure that the Arbitration clause as per PMA guidelines of this Department should not be included in their contracts with private parties.

3. This issues with the approval of Secretary, PE.

(Jyoti Mathur)
Under Secretary to the Government of India

Copy to: Administrative Ministries/Departments concerned with CPSEs