



सत्यमेव जयते

भारत सरकार

राष्ट्रीय अनुसूचित जनजाति आयोग

GOVERNMENT OF INDIA

NATIONAL COMMISSION FOR SCHEDULED TRIBES

छठी मंजिल, 'बी' विंग, लोक नायक भवन  
खान मार्केट, नई दिल्ली-110003

6th Floor, 'B' Wing, Lok Nayak Bhawan  
Khan Market, New Delhi-110 003

Dated 19-09-2011

No.JKP/Service/MTA/2011/RU-II

To

1. Dr. Rameshwar Oraon, Chairperson
2. Shri Bheru Lal Meena, Member
3. Shri K. Kamala Kumari, Member

Subject: Letter dated 07/09/2011 received from Shri J.K. Popli, Director (PC&V Section), Govt. of India, Ministry of Tribal Affairs, Shastri Bhawan, New Delhi regarding circulation of OM dated 01/09/2011 from Cabinet Secretariat, regarding settlement of disputes between two Ministries and D.O. letter dated 01/09/2011 from Cabinet Secretary regarding handling of Writ Petition filed before a court of law in India.

Sir/Madam,

I am directed to calculate herewith a copy of letter No.19021/01/2011-PC&V dated 07-09-2011 (copy enclosed) received from Shri J.K. Popli, Director (PC&V Section), Govt. of India, Ministry of Tribal Affairs, Shastri Bhawan, New Delhi on the subject mentioned above for information and compliance in future.

Yours faithfully,

(Harinder Kaur)  
Deputy Secretary

Copy alongwith copy of above-mentioned circulars forwarded to:-

1. Secretary
2. Joint Secretary
3. Deputy Director(KDB)
4. US(A)
5. AD(C.Cell)
6. AD(OL)
7. RO (RU-I & II)
8. RO (RU-III)
9. RO (RU-IV)

✓ Copy to SSA/MIC for putting on the website.

S. NO. 1 (R)

(1)

No. 19021/01/2011-PC&V  
Government of India  
Ministry of Tribal Affairs  
(PC&V Section)

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Room No. 214, 'D' Wing,  
Shastri Bhavan, New Delhi-110115

Dated: 7.9.2011

A copy each of the following D.O./O.M is forwarded for information and necessary action :-

- (i) O.M. No. A 12034/01/2011-Ad.I dated 1.9.2011 from Cabinet Sectt. regarding Settlement of disputes;
- (ii) D.O. No. 281/44/20/2010-TS dated 1.9.2011 from Cabinet Secretary regarding handling of Writ Petition filed before a court of Law in India;

DS  
S. Post

2249/RSS/11  
13/9/11

(J.K. Popli)  
Director (PC&V)  
Tel.-23073706

AS  
13/9

All Directors/DSs/USs

RO

Copy also to :- CMD, NSTFDC/ MD, TRIFED/ Secy., NCST

Immediate

No.A-12034/01/2011-Ad.I  
GOVERNMENT OF INDIA (BHARAT SARKAR)  
CABINET SECRETARIAT (MANTRIMANDAL SACHIVALAYA)  
SARDAR PATEL BHAVAN  
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Sansad Marg, New Delhi-110001  
Dated 1 September, 2011

OFFICE MEMORANDUM

**Subject:- Settlement of disputes between one Central Government Department and another and one Central Government Department and a Central Govt. Public Enterprises and Public Enterprises and another.**

The undersigned is directed refer to the orders dated 17.2.2011 of the Hon'ble Supreme Court in Civil Appeal No. 1883 of 2011 (arising out of S.L.P. (C) No. 2583 of 2009) in the case of Electronics Corporation of India Ltd. Vs. Union of India & others recalling their directions regarding the approval of Committee on Disputes (COD) constituted in Cabinet Secretariat for pursuing litigation by PSUs/Government Departments. In compliance of the above referred orders, the Public Sector Enterprises and the Ministries/Departments of the Central Govt. do not require the permission of the Committee on Disputes in Cabinet Secretariat before approaching the Courts & Tribunals with effect from the date of effect of the said orders of the Supreme Court.i.e., 17.2.2011. The Committee, accordingly, stands wound up with effect from the same date..

2. The undersigned is further directed to say that consequently this Secretariat's earlier orders issued vide OM No. 53/3/6/91-Cab.I dated 31<sup>st</sup> December 1991 and OM No.53/3/6/91-Cab.I dated 24<sup>th</sup> January 1994 stand superseded.

3. A reference is also invited in this regard to the Ministry of Law, Department of Legal Affairs' OM No. F-34 (4) /2011-Judl. Dated 3<sup>rd</sup> March 2011 (copy enclosed).

*Sunil Mishra*  
(Sunil Mishra)  
Director (Administration)

Secretary, Department of Legal Affairs, Ministry of Law & Justice, Shastri Bhavan, New Delhi.

Secretary, Department of Industrial Policy & Promotion, Ministry of Commerce, Udyog Bhavan, New Delhi.

Finance Secretary, Govt. of India, North Block. New Delhi.

Secretary, D/o Public Enterprises, Ministry of Heavy Industries & Public Enterprises, with a request that immediate instructions may be issued to all public sector enterprises to comply with the court's directions.

All other Secretaries to the Government of India: for information and necessary action regarding issuing appropriate directions to the Public Enterprises under them.

All Additional Secretaries to Government of India information necessary action regarding issuing appropriate directions to the Public Enterprises under them.

*Sunil Mishra*

6/9/2011  
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SO/PC

6-9-2011

Circular

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Most Immediate

No.F.34(4)/2011-Judl.  
Government of India  
Ministry of Law and Justice  
Department of Legal Affairs  
Judicial Section

New Delhi, 3<sup>rd</sup> March, 2011

**OFFICE MEMORANDUM**

Sub: Hon'ble Supreme Court's Order dated 17<sup>th</sup> February, 2011 in Appeal Civil No.1903 of 2008 between CCE Vs. BPCL – recalling their earlier directions in the case of ONGC Vs. CCE and ONGC Vs. CIDCO, Maharashtra regarding non-insistence of CoD approval for pursuing litigation by PSU/Government Departments.

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The undersigned is directed to state that Hon'ble Supreme Court while dismissing IA no. 4 in Civil Appeal no.1903/2008 filed by Bharat Petroleum Corporation Ltd., has recalled their earlier orders reported in (i) ONGC vs CCE [1995 Supp(4) SCC 541 dated 11.10.1991], (ii) ONGC vs CCE [(2004) 6 SCC 437 dated 07.01.1994] and (iii) ONGC vs CIDCO [(2007) 7 SCC 39 dated 20.07.2007] wherein the Hon'ble Court had directed that prior approval of the "Committee on Disputes" need to be obtained before the filing of a case in the Court.

II. The text of the said order is reproduced below:-

"CIVIL APPEAL NO.1883 OF 2011  
(arising out of S.L.P. (C) No. 2538 of 2009)

Electronics Corporation of India Ltd.

...  
versus

Appellant(s)

Union of India & Ors.

...  
with

Respondent(s)

Civil Appeal No. 1903 of 2008

Coram: S.H. Kapadia, CJI, Mukundakam Sharma, K.S. Panicker Radhakrishnan, Swatanter Kumar and Anil R. Dave, JJ

**ORDER**

S.H. KAPADIA, CJI. - Leave granted.

2. Electronics Corporation of India Ltd. ("assessee" for short) is a Central Government Public Sector Undertaking ("PSU"). It is registered as a Government Company under the Companies Act, 1956. It is under the control of Department of Atomic Energy, Government of India. A dispute had been raised by the Central Government (Ministry of Finance) by issuing show cause notices to the assessee alleging that the Corporation was not entitled to avail/utilize Modvat/Cenvat Credit in respect of inputs whose values stood written off. Accordingly it was proposed in the show cause notices that the credit taken on inputs was liable to be reversed. Thus, the short point which arose for determination in the present case was whether the Central Government was right in insisting on reversal of credit taken by the assessee on inputs whose values stood written off.

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3. The adjudicating authority held that there was no substance in the contention of the assessee that the write off was made in terms of AS-2. The case of the assessee before the Commissioner of Central Excise (adjudicating authority) was that it was a financial requirement as prescribed in AS-2; that an inventory more than three years old had to be written off/derated in value; that such derating in value did not mean that the inputs were unfunctionable; that the inputs were still lying in the factory and they were useful for production and therefore they were entitled to Modvat/Cenvat credit. As stated above, this argument was rejected by the adjudicating authority and the demand against the assessee stood confirmed. Against the order of the adjudicating authority, the assessee decided to challenge the same by filing an appeal before CESTAT. Accordingly, the assessee applied before the Committee on Disputes (CoD). However, the CoD vide its decision dated 2.11.2006 refused to grant clearance though in an identical case the CoD granted clearance to Bharat Heavy Electricals Ltd. ("BHEL"). Accordingly, the assessee herein filed Writ Petition No. 26573 of 2008 in the Andhra Pradesh High Court. By the impugned decision, the writ petition filed by the assessee stood dismissed. Against the order of the Andhra Pradesh High Court the assessee has moved this Court by way of a special leave petition.

4. In a conjunct matter, Civil Appeal No. 1903 of 2008, the facts were as follows. Bharat Petroleum Corporation Ltd. ("assessee" for short) cleared the goods for sale at the outlets owned and operated by themselves known as Company Owned and Company Operated Outlets. The assessee cleared the goods for sale at such outlets by determining the value of the goods cleared during the period February, 2000 to November, 2001 on the basis of the price at which such goods were sold from their warehouses to independent dealers, instead of determining it on the basis of the normal price and normal transaction value as per Section 4(4)(b)(iii) of Central Excise Act, 1944 ("1944 Act" for short) read with Rule 7 of Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2000. In short, the price adopted by the assessee which is a PSU in terms of Administered Pricing Mechanism ("APM") formulated by Government of India stood rejected. The Tribunal came to the conclusion that the APM adopted by the assessee was in terms of the price fixed by the Ministry of Petroleum and Natural Gas; that it was not possible for the assessee to adopt the price in terms of Section 4(1)(a) of the 1944 Act; and that it was not possible to arrive at the transaction value in terms of the said section. Accordingly, the Tribunal allowed the appeal of the assessee. Aggrieved by the decision of the Tribunal, CCE has come to this Court by way of Civil Appeal No. 1903 of 2008 in which the assessee has preferred I.A. No. 4 of 2009 requesting the Court to dismiss the above Civil Appeal No. 1903 of 2008 filed by the Department on the ground that CoD has declined permission to the Department to pursue the said appeal.

5. The above two instances are given only to highlight the fact that the mechanism set up by this Court in its Orders reported in (i) 1995 Suppl.(4) SCC 541 (ONGC v. CCE) dated 11.10.1991; (ii) 2004 (6) SCC 437 (ONGC v. CCE) dated 7.1.1994; and (iii) 2007 (7) SCC 39 (ONGC v. City & Industrial Development Corpn.) dated 20.7.2007 needs to be revisited.

3. Learned Attorney General has submitted that the above Orders have outlived their utility and in view of the changed scenario, as indicated hereinafter, the aforesaid Orders are required to be recalled. We find merit in the submission made by the Attorney General of India on behalf of the Union of India for the following reasons. By Order dated 11.9.1991, reported in 1992 Supp (2) SCC 432 (ONGC and Anr. v. CCE), this Court noted that "Public Sector Undertakings of Central Government and the Union of India should not fight their litigations in Court". Consequently, the Cabinet Secretary, Government of India was "called upon to handle the matter personally".

7. This was followed by the order dated 11.10.1991 in ONGC-II case (supra) where this Court directed the Government of India "to set up a Committee consisting of representatives from the Ministry of Industry, Bureau of Public Enterprises and Ministry of Law, to monitor disputes between Ministry and Ministry of Government of India, Ministry and public sector undertakings of the Government of India and public sector undertakings between themselves, to ensure that no litigation comes to Court or to a tribunal without the matter having been first examined by the Committee and its clearance for litigation".

1. Thereafter, in ONGC-III case (supra), this Court directed that in the absence of clearance from the "Committee of Secretaries" (CoS), any legal proceeding will not be proceeded with. This was subject to the rider that appeals and petitions filed without such clearance could be filed to save limitation. It was, however, directed that the needful should be done within one month from such filing, failing which the matter would not be proceeded with. By another order dated 20.7.2007 (ONGC-IVth case) this Court extended the concept of Dispute Resolution by High-Powered Committee to amicably resolve the disputes involving the State Governments and their Instrumentalities.

The idea behind setting up of this Committee, initially, called a "High-Powered Committee" (HPC), later on called as "Committee of Secretaries" (CoS) and finally named as "Committee on Disputes" (CoD) was to ensure that resources of the State are not frittered away in inter se litigations between entities of the State, which could be best resolved, by an empowered CoD. The machinery contemplated was only to ensure that no litigation comes to Court without the parties having had an opportunity of conciliation before an in-house committee. [see : para 3 of the order dated 7.1.1994 (supra)] Whilst the principle and the object behind the aforesaid Orders is unexceptionable and laudatory, experience has shown that despite best efforts of the CoD, the mechanism has not achieved the results for which it was constituted and has in fact led to delays in litigation. We have already given two examples hereinabove. They indicate that on same set of facts, clearance is given in one case and refused in the other. This has led a PSU to institute a SLP in this Court on the ground of discrimination. We need not multiply such illustrations. The mechanism was set up with a laudatory object. However, the mechanism has led to delay in filing of civil appeals causing loss of revenue. For example, in many cases of exemptions, the Industry Department gives exemption, while the same is denied by the Revenue Department. Similarly, with the enactment of regulatory laws in several cases there could be overlapping of jurisdictions between, let us say, SEBI and insurance regulators. Civil appeals lie to this Court. Stakes in such cases are huge. One cannot possibly expect timely clearance by CoD. In such cases,

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grant of clearance to one and not to the other may result in generation of more and more litigation. The mechanism has outlived its utility. In the changed scenario indicated above, we are of the view that time has come under the above circumstances to recall the directions of this Court in its various Orders reported as (i) 1995 Supp (4) SCC 541 dated 11.10.1991, (ii) (2004) 6 SCC 437 dated 7.1.1994 and (iii) (2007) 7 SCC 39 dated 20.7.2007.

10. In the circumstances, we hereby recall the following Orders reported in : (i) 1995 Supp (4) SCC 541 dated 11.10.1991 (ii) (2004) 6 SCC 437 dated 7.1.1994 (iii) (2007) 7 SCC 39 dated 20.7.2007

11. For the aforesaid reasons, I.A. No. 4 filed by the assessee in Civil Appeal No. 1903/2008 is dismissed."

III. All the Law Officers and Incharge (Litigation) of Supreme Court and High Courts/Tribunals are requested to ensure compliance of the above Order of the Apex Court.

IV. This issues with the approval of Law Secretary.

(Ashok Kumar)  
Joint Secretary & Legal Adviser to the Government of India

To

1. PS to Attorney General for India, Supreme Court, New Delhi.
2. PS to Solicitor General of India, Supreme Court, New Delhi.
3. All the Additional Solicitors General as per the list.
4. All Assistant Solicitors General as per the list.
5. Incharge, Branch Secretariats, Mumbai, Kolkata, Chennai and Bangalore.
6. Incharge, Central Agency Section, Supreme Court Compound and Incharge, Litigation (HC/LC) Sections, Delhi High Court Building, New Delhi.
7. All ILS officers of Department of Legal Officers.
8. Shri Braj Mohan, Deputy Secretary, Cabinet Secretariat, Sardar Patel Bhawan, New Delhi with reference to OM No.1/1:6/7-C/10-LC dated 18<sup>th</sup> February, 2011.
9. NIC Cell with the request to upload this OM in the website of the Department under, 'circulars pertaining to litigation'.

(Ashok Kumar)  
Joint Secretary & Legal Adviser to the Government of India



D.O. No. 281/44/20/2010-TS

September 01, 2011

Dear Secretary,

It has been brought to my attention by some Law Officers that in some Writ Petitions filed before a Court of Law in India, the Petitioner may have named as Respondents certain Secretaries to the Government of India, or some other functionaries of the Ministries/ Departments or their attached/ sub-ordinate offices or public sector undertakings, even though they are not concerned with the matter as per the Government of India (Allocation of Business) Rules, 1961.

2. On a number of occasions when the matter does not pertain to the Ministry/ Department it has been referred to, they refuse to accept it on the plea that it does not concern them. Their sole focus is to seek their exclusion from the Writ Petition. But, they simultaneously do not provide suitable guidance directly to the Law Officer regarding the Ministries/ Departments that are actually responsible for the matter at issue. As a result, much time is lost. The Law Officer has to spend his time and resources in needless correspondence with these Respondents. In the event, there is adverse fall out on the preparation of his arguments before the Court in the absence of timely inputs from the Ministries/ Departments actually concerned with the matter. Further, there is increased likelihood that the Court of Law may also end up giving directions to the original Responding Ministries/ Departments, which may lead to confusion and further delay in implementation of the directions by the Ministry/ Department which is actually responsible for the matter.

3. In order to prevent the recurrence of such instances, you may like to ensure that when a Court matter is inadvertently marked to you, or to a functionary of your Ministry/ Department or attached/ sub-ordinate office or public sector undertaking under your Ministry/ Department, the Law Officer concerned is suitably advised regarding the Respondent actually concerned with the legal matter at issue. It is for the Ministry/ Department that receives the court order to directly inform the Law Officer of the correct Ministry/ Department dealing with the matter. The relevant extract of the Government of India (Allocation of Business) Rules, 1961, may also be cited so that the papers and inputs required to handle the case reach their rightful destination promptly. This would ensure effective and timely handling of the matter. You may also kindly issue suitable instructions to all concerned under your charge, including to attached/ sub-ordinate offices and/or public sector undertakings, to this end.

With regards,

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 S. Arvind Kumar Chugh  
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Yours sincerely,

(Ajit Seth)

RNIC  
 6/9  
 P. G. Guleri

Shri Arvind Kumar Chugh  
 Secretary,  
 Ministry of Tribal Affairs  
 New Delhi