

Oil And Natural Gas Commission & Anr.

Vs

Collector of Central Excise

IA Nos. 1 & 2 in Civil Appeal Nos. 2058-59 of 1988

(CJI Ranganath Misra, P. B. Sawant, S. Mohan JJ)

11.10.1991

ORDER

1. We are happy to find that the Cabinet Secretary has taken the appropriate initiative as indicated in our order dt. 11th September, 1991 and has reported to us that the dispute between the Government Department and the Public Sector Undertaking of the Union of India has been settled. In that view of the matter no further action is necessary on the petition.

2. In his report the Cabinet Secretary has stated :

"I would also like to state that the Government respects the views expressed by this Honourable Court and has accepted them that public undertakings of Central Government and the Union of India should not fight their litigation in Court by spending money on fees on counsel, court fees, procedural expenses and wasting public time. It is this context that the Cabinet Secretariat has issued instructions from time to time to all Departments of the Government to the effect India as well as to public undertakings of the Central Government to the effect that all disputes, regardless of the type, should be resolved amicably by mutual consultation or through the good offices of empowered agencies of the Government or thought arbitration and recourse to litigation should be eliminated."

3. We direct that the Government of India shall set up a Committee consisting representatives from the Ministry of Industry, the Bureau of Public Enterprises and the Ministry of Law, to monitor disputes between Ministry and Ministry of Government of India, Ministry and Public Sector Undertaking of the Government of India and Public Sector Undertakings in 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. Government may include a representative of the Ministry concerned in a specific case and one from the Ministry of Finance in the Committee. Senior officers only should be nominated so that the Committee would function with status, control and discipline.

4. It shall be the obligation of every Court and every Tribunal where such a dispute is raised hereafter to demand a clearance from the Committee in case it has not been so pleaded and in the absence of the clearance, the proceedings would not be proceeded with.

5. The Committee shall function under the ultimate control of the Cabinet Secretary but his delegate may look after the matters. This Court would expect a quarterly report about the functioning of this system to be furnished to the Registry beginning from 1st January, 1992.

6. Our direction may be communicated to every High Court for information of all the Courts subordinate to them.

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