

No.4 (1)2011-DPE (PMA)  
Government of India  
Ministry of Heavy Industries & Public Enterprises  
Department of Public Enterprises

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Block No.14, CGO Complex,  
Lodhi Road, New Delhi.110003

Dated the 24th March 2014

**OFFICE MEMORANDUM**

Sub: Settlement of commercial disputes between Public Sector Enterprises inter se and Public Sector Enterprise(s) and Government Department(s) through Permanent Machinery of Arbitration (PMA) in the Department of Public Enterprises.

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Attention is invited to the Guidelines clause **X. "APPEAL"** of Office Memorandum dated 12<sup>th</sup> June, 2013 issued by the Department of Public Enterprises on the subject mentioned above. The clause No. **X** relating to **APPEAL** reads as under:-

"The Award of the sole Arbitrator under the PMA shall be binding upon the parties to the dispute. The aggrieved party may file an appeal before the Law Secretary within the period as recorded by the Arbitrator in the Award for implementation. This time limit may be kept in view while filing an appeal before the Law secretary. The Appellate Authority may decide the appeal/revision on merits and set aside or revise the award. The matter cannot be remitted back to the Arbitrator for reconsideration. The Appellate Authority will have the power to revise his/her own decision for rectification of any error or for editorial correction etc.

Law Secretary, after giving an award on the appeal, will return the records of the case to the PMA. The Arbitrator may also, if he/she thinks fit, make an interim award. However, there shall be no appeal to the Law Secretary against the interim award and both the parties are to await the final award by the Arbitrator. "

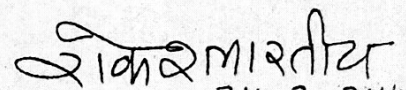
2. Annexure to the DPE O.M. No. 4(1)/2011-DPE(PMA)-GL dated 12<sup>th</sup> June 2013 relating to the Arbitration clause to be included in all commercial contracts entered into by the Public Enterprises/Government Departments etc. mentioned that the "dispute shall be decided by Law Secretary or the Special Secretary/Additional Secretary, when so authorised by the Law Secretary, whose decision shall bind the parties finally and conclusively " This was inadvertently omitted in the main body of

the Guidelines relating to "Appeal". Accordingly, Clause X relating to "Appeal" of the PMA Guidelines dated 12<sup>th</sup> June, 2013 stands modified as under:-

"The Award of the sole Arbitrator under the PMA shall be binding upon the parties to the dispute. The aggrieved party may file an appeal before the Law Secretary within the period as recorded by the Arbitrator in the Award for implementation. This time limit may be kept in view while filing an appeal before the Law Secretary. The Law Secretary or Special Secretary/Additional Secretary, when so authorised by the Law Secretary, may decide the appeal/revision on merits and set aside or revise the award. The matter cannot be remitted back to the Arbitrator for reconsideration. The Appellate Authority will have the power to revise his/her own decision for rectification of any error or for editorial correction etc.

Law Secretary, or as the case may be, Special Secretary/Additional Secretary, after giving an award on the appeal, will return the records of the case to the PMA. The Arbitrator may also, if he/she thinks fit, make an interim award. However, there shall be no appeal to the Law Secretary against the interim award and both the parties are to await the final award by the Arbitrator. "

3. All Administrative Ministries/Departments concerned with the Management of the CPSEs/Banks/Port Trusts etc. are requested to bring this clarification to the notice of all concerned CPSEs under their administrative control for their strict compliance.

  
24-3-2014  
(Rakesh Bhartiya)

Joint Secretary to the Government of India

To

Secretaries of all Ministries/Departments of the Government of India

Copy to:

1. Sh. S. K. Mohapatra, Joint Secretary & Arbitrator of PMA with the request to act as per the revised guidelines.
2. The Chief Executives of all CPSEs for information and necessary compliance.

Copy forwarded for information to:

- (i) The Prime Minister's office, South Block, New Delhi
- (ii) The Cabinet Sectt., Rashtrapati Bhawan, New Delhi
- (iii) PS to the Minister (HI&PE), Udyog Bhawan, New Delhi
- (iv) PS to Secretary(PE)
- (v) PS to Finance Secretary, North Block, New Delhi
- (vi) PS to Law Secretary, Shastri Bhawan, New Delhi
- (vii) JS(Admn.)/JS(AKP)/Adviser(PE)
- (viii) All officers in DPE