



GOVERNMENT OF KERALA

No.15041/BPE.2/09/Plg

Planning & Economic Affairs (BPE) Department.

Thiruvananthapuram, Dated, 7/10/09.

CIRCULAR.

Sub: - Settlement of Disputes between Government Departments and Public Sector Undertakings- Instructions- issued.

Ref:-1) G.O (Ms) No.27/96/P&ARD, Dated 23.08.1996.

2) Circular No.8426 /BPE.2/ 06/ Plg, Dated 9.08.2006.

As per the Government order cited above, Government had constituted a High Power Committee with the following members for dealing with the disputes between Government Department themselves and State owned Public Sector Undertakings on the basis of the observation made by the Hon'ble High Court in their judgment in O.P No.4740/90 filed by Kerala State Electricity Board against the Forest Department:-

- | | |
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| 1. Additional Chief Secretary to Government | - Chairman. |
| 2. Law Secretary | -Member. |
| 3. Principal Secretary/Secretary of BPE ,
in the case of disputes relating to PSUs | -Member |
| 4. Principal Secretary/Secretary of the Departments concerned | - Member. |
| 5. The Head of the Department/Managing Director,
in the case of PSUs /Heads of Boards and Autonomous Bodies | -Member. |
| 6. Finance Secretary in the case of issue involving
financial commitment. | -Member. |

As per the circular cited above, Government directed the Chief Executives of all Public Sector Undertakings to place all issues involving Government Departments before the High power Committees constituted for the purpose for examination and amicable settlement.

The Hon'ble High court of Kerala in their order dated 29.01.2009 in STR Nos 433& 434 of 2005 and 258/07 filed by M/S Plantation Corporation of Kerala Ltd, Kottayam has adversely commented upon the growing tendency among State owned Public Sector Undertakings to enter into litigation with the State and other Public Sector Undertakings rather than resolving the disputes by themselves. The Hon'ble High court has also passed orders on similar lines in their order dated 16.02.2009 in STRs 243& 246/2007 filed by M/S Keltron Controls Division, Aroor.

In spite of the fact that the dispute redressal forum constituted as per the G.O cited above is already in place and circular instruction in this regard were issued to all Chief Executives of State owned Public Sector Undertakings , it is sad to note that several Public Sector Undertakings had resorted to litigation in Court of Law inviting adverse comments from the Court.

In the circumstances Government are hereby once again directed the Chief Executives of State owned Public Sector Undertakings to strictly comply with the instructions issued in Government Order/ Circular read above. Any deviation will result in unpleasant consequences.

T.BALAKRISHNAN

Principal Secretary to Government.

To.

The Chief Executives of all Public Sector Undertakings.

All Administrative Departments.

Taxes(C) Department.(vide Note No.11778/C1/09/TD, dated 16.09.2009).

Finance Department.

The Secretary, RIAB.

Copy to.

P.A to Principal Secretary, BPE.

C.A to Director, BPE.

Approved for issue.

Section Officer