

Disputes between Central Government Department and PSU / other Government Departments

(a) In cases where disputes arise between two Central Government Departments or a Government Department and Public Sector Undertaking, the procedure laid down for obtaining clearance of the Committee of Disputes needs to be followed scrupulously. Attention is invited to Circular number 27/27/94-CX dated 2.3.94 as modified from time to time particularly by Circular Nos. 156/67/95-CX dated 17.11.95, 515/11/2000-CX dated 18.2.2000 and 578/15/2001-CX dated 20-06-2001 issued in this regard detailing the procedure to be followed in such cases. As emphasized in the Circulars cited supra, the Hon'ble Supreme Court has clarified that while there is no bar in lodgment of an appeal so as to save time, every endeavor should be made to obtain clearance of the Committee on Disputes. Board, therefore directs strict compliance to the instructions issued in this regard. Several proposals are being received much beyond the stipulated period of one month from the date of filing appeal which is contrary to the directions of the Hon'ble Court and the COD.

(b) The Cabinet Secretariat had issued OM F.NO. 1/126/5-T/2008-LC dated 7<sup>th</sup> April 2008 advising the Department as well as PSU not to refer cases where the disputed tax implication is less than ₹ Five Lakh. The said OM was circulated to all the Chief Commissioners vide letter F No 390/R/135/2008-JC dated.9.5.08. Accordingly, disputes involving amount of ₹ 5 lakhs or less should not be sent for obtaining clearance unless there are compelling reasons for doing so. The Commissionerates should, however, maintain appropriate database in respect of all such cases of litigation with PSUs where it was decided not to file or pursue appeal on account of low amount either at their level or at Board's or COD level.

(c) Several instances have come to notice wherein the proposals do not contain all documents, do not have index and are not page numbered. Reference is invited to the OM F. No. 1/126/14-1/2009-LC issued by the Cabinet Secretariat and circulated by Board vide F No 390/R/187/2009-JC dated 10.8.2009. It must be ensured that the proposals contain an index page right in the beginning giving the running page numbers of the documents for ease of reference. All the documents should be legible and wherever photocopy is faint, typed copy be enclosed. )

(d) The proposals for obtaining clearance of the COD are to be sent to the Board simultaneously without fail at the time of filing appeal before the CESTAT/High Court. The Commissionerates should send soft copy of all the COD proposals including background of the dispute having the issues involved in the dispute in brief, statement of facts, grounds of appeal by e-mail to [sojc-cbec@nic.in](mailto:sojc-cbec@nic.in) with the dispatch of the hard copy of the proposal.