

CHAPTER V

MEMORANDUM OF UNDERSTANDING

3. DPE/Guidelines/V/3

Delegation of powers to public sector undertakings signing MOU with the Government.

The undersigned is directed to refer to this Ministry's OM No. BPE 1(18)/88-Fin (PPU) dated the 19th October, 1988 on the subject mentioned above wherein it was, inter-alia, stated that the MOU signing companies shall have powers to transfer functional Directors from one change to another in consultation with the Secretary of the administrative Ministry and with the prior approval of the Minister. In this connection, it is clarified that transfer of functional Directors in MOU signing PSUs is permissible without reference to the Appointments Committee of the Cabinet (ACC) only within the enterprise in which the appointment was made initially with the approval of ACC. The transfer of functional Directors from the holding company to a subsidiary company or vice versa or among subsidiary companies cannot be effected without the specific approval of ACC.

2. All the administrative Ministries/Departments are requested to note the above clarification for strict compliance and also advise the public enterprises under their administrative control in the matter suitably.

(DPE O.M. No. 18(13)/93-GM dated 10th January, 1994)
