

No.M-03/0017/2016-DPE(MoU)  
Government of India  
Ministry of Heavy Industries & Public Enterprises  
Department of Public Enterprises  
MoU Division

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Public Enterprises Bhavan  
Block No. 14, CGO Complex  
Lodhi Road, New Delhi-110003

Dated: 12<sup>th</sup> April, 2017

**OFFICE MEMORANDUM**

**Subject: Guidelines for MoU for the year 2017-18 and onwards.**

The undersigned is directed to enclose herewith MoU guidelines for the year 2017-18 and onwards. These guidelines are issued as amendment to the guidelines issued dated 16<sup>th</sup> December, 2016 with the approval of High Powered Committee on MoU chaired by Cabinet Secretary in its meeting held on 8<sup>th</sup> March, 2017.

2. This issues with the approval of Minister (HI&PE).

  
(Mukesh Kumar Gupta)  
Director(MoU)  
Tel: 011-24360318

Encl: As above.

To

1. Secretaries to the Government of India (as per list).
2. Chief Executives of CPSEs (as per list).

Copy to:

1. Staff Officer to Cabinet Secretary, Cabinet Secretariat.
2. Secretary (Performance Management), Management Division, Cab. Sectt.
3. Secretary (Dr. T.C.A. Anant), M/o. Statistics & Programme Implementation, S.P. Bhavan, Sansad Marg, New Delhi – 110 001.
4. Additional Secretary (Shri Yaduvendra Mathur), NITI Aayog, Yojana Bhavan, Sansad Marg, New Delhi-110001.
5. Secretary (Dr. Krishan Kumar Jalan), Department of MSME, M/o. Micro, Small & Medium Enterprises, Udyog Bhavan, Rafi Marg, New Delhi-110011.

# MoU Guidelines for the Year 2017-18 and onwards

1. **Memorandum of Understanding (MoU):** MoU is a negotiated agreement and contract between the Administrative Ministry/ Department/ Holding CPSE i.e. majority shareholder and the Management of the Central Public Sector Enterprise (CPSE) on selected parameters having targets decided normally before the start of a new financial year and results evaluated after the end of the year to measure the performance. For carrying out this exercise, CPSEs would provide brief in format at **Annex-I** and trend analysis in **Annex-III**.
2. **Purpose of MoU:** The purpose of the MoU is to measure the performance of the management of the CPSEs on key selected parameters against the targets agreed upon so as to improve the critical performance indicators of the organisation.
3. **Scope:** All CPSEs (Holding as well as Subsidiaries) are required to sign MoUs. The Apex/Holding companies will sign MoUs with their administrative Ministries/ Departments, while the Subsidiary companies will sign MoUs with their respective Apex/ Holding companies.
4. **Exemption from MoU:**
  - 4.1 High Powered Committee in its meeting held on 8<sup>th</sup> March, 2017 had confirmed/ approved exemption to following CPSEs from signing of MoU:-
    - i. India Infrastructure Finance Co. Ltd., and its subsidiaries.
  - 4.2 Following CPSEs may be exempted from MoU system by the Inter-Ministerial Committee (IMC):
    - i. CPSEs under liquidation where Liquidator has already been appointed. However administrative ministry would provide the list of such CPSEs to DPE along-with brief write-up.
    - ii. CPSE which is not in operation or having no employees or on any other ground on the recommendation of administrative Ministry.
5. **Parameters:** CPSEs work in various sectors under different conditions. In view of this, the following guidelines are laid down:-

