



R F D

Results Framework Document
for
Department of Disinvestment

(2011-2012)

Section 1: Vision, Mission, Objectives and Functions

Vision

Promote people's ownership of Central Public Sector Enterprises through disinvestment and to release resource for capital investment in the social sector.

Mission

1. List all unlisted profitable Central Public Sector Enterprises on stock exchanges and increase public shareholding in the ones listed, to facilitate in:
 - (a) improvement in corporate governance.
 - (b) higher disclosure levels that bring about greater transparency and accountability in the functioning of the Central Public Sector Enterprises.
 - (c) bringing market discipline to the functioning of Central Public Sector Enterprises.
 - (d) unlocking the true value of the Central Public Sector Enterprises for all stakeholders - investors, employees, Company and the Government.
2. Already listed profitable CPSEs (not meeting mandatory shareholding of 10%) are to be made compliant by 'Offer for Sale' by Government or through issue of fresh shares by the CPSEs or a combination of both.
3. Disinvestment of Government of India shareholding through any other mode, on a case by case basis.

Objective

- 1 To develop people's ownership of Central Public Sector Enterprises through increased participation of retail investors.
- 2 To increase public shareholding in listed Central Public Sector Enterprises .
- 3 To ensure listing of Central Public Sector Enterprises on the stock exchanges.
- 4 To create awareness among public about disinvestment process.
- 5 To create appropriate reference tools of structures and processes for sale of minority shares through public offerings.
- 6 To raise budgetary resources.
- 7 To provide sustainable returns on corpus of National Investment Fund to the Government, without depleting the corpus.
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Functions

- 1 (a) All matters relating to disinvestment of Central Government equity from Central Public Sector Enterprises (CPSEs); (b) All matters relating to sale of Central Government equity through offer for sale or private placement in

Section 1: Vision, Mission, Objectives and Functions

the erstwhile CPSEs; Note: All other post disinvestment matters, including those relating to and arising out of the exercise of call option by the strategic partner in the erstwhile CPSEs, shall continue to be handled by the Administrative Ministry or Department concerned, where necessary, in consultation with the Department of Disinvestment.

- 2 Decisions on the recommendations of Disinvestment Commission on the modalities of disinvestment, including restructuring;
- 3 Implementation of disinvestment decisions, including appointment of Advisors, pricing of shares, and other terms and conditions of disinvestment;
- 4 Disinvestment Commission;
- 5 CPSEs for purposes of disinvestment of Government equity only; and
- 6 Financial policy in regard to the utilization of the proceeds of disinvestment channelized into the National Investment Fund.

Section 2: Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success	Unit	Weight	Target / Criteria Value				
						Excellen	VeryGoo	Good	Fair	Poor
						100%	90%	80%	70%	60%
[1] To create awareness among public about disinvestment process.	5.00	[1.1] Organise meeting with brokers, fund managers and investor's associations.	[1.1.1] Number of meetings/conferences held.	no	5.00	10	9	8	7	6
[2] To create appropriate reference tools of structures and processes for sale of minority shares through public offerings.	10.00	[2.1] Prepare handbook on Disinvestment Process and the steps involved.	[2.1.1] Release of Handbook	Date	10.00	31/05/2011	15/06/2011	01/07/2011	15/07/2011	01/08/2011
[3] To provide sustainable returns on corpus of National Investment Fund to the Government, without depleting the corpus.	5.00	[3.1] Investment of National Investment Fund corpus.	[3.1.1] Rate of return on the corpus of National Investment Fund.	%	5.00	10.00	8.5	8.0	7.5	7.0
* Efficient Functioning of the RFD System	5.00	Timely submission of Draft for Approval	On-time submission	Date	2.0	20/05/2011	23/05/2011	25/05/2011	26/05/2011	03/06/2011
		Timely submission of Results	On-time submission	Date	1.0	02/05/2012	03/05/2012	04/05/2012	05/05/2012	06/05/2012
		Finalize a Strategic Plan (After meeting all intermediate deadlines)	Finalize the Strategic Plan for next 5 years	Date	2.0	10/12/2011	15/12/2011	20/12/2011	24/12/2011	31/12/2011
* Improving Internal Efficiency / responsiveness / service delivery of Ministry / Department	4.00	Implementation of Sevottam	Create a Sevottam compliant system to implement, monitor and review Citizen's / Client's Charter	Date	1.0	10/12/2011	15/12/2011	20/12/2011	24/12/2011	31/12/2011
			Create a Sevottam Compliant system to redress and monitor public Grievances	Date	1.0	10/12/2011	15/12/2011	20/12/2011	24/12/2011	31/12/2011
		Develop RFDs for all Responsibility Centers (Subordinate Offices, Attached Offices, Autonomous Bodies)	Percentage of RCs covered	%	2.0	100	95	90	85	80
* Ensuring compliance to the Financial Accountability Framework	2.00	Timely submission of ATNS on Audit Paras of C&AG	Percentage of ATNS submitted within due date (4 months) from date of presentation of	%	0.5	100	90	80	70	60

* Mandatory Objective(s)

Section 2: Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success	Unit	Weight	Target / Criteria Value				
						Excelle	VeryGoo	Good	Fair	Poor
						100%	90%	80%	70%	60%
			Report to Parliament by CAG during the year							
		Early disposal of pending ATNs on Audit Paras of C&AG Reports presented to Parliament before 31.3.2011.	Percentage of outstanding ATNS disposed off during the year.	%	0.5	100	90	80	70	60
		Early disposal of pending ATRs on PAC Reports presented to Parliament before 31.3.2011	Percentage of outstanding ATRS disposed off during the year.	%	0.5	100	90	80	70	60
		Timely submission of ATRs to the PAC Sectt. on PAC Reports.	Percentage of ATRs submitted within due date (6 months) from date of presentation of Report to Parliament by PAC during the year.	%	0.5	100	90	80	70	60
* Administrative Reforms	4.00	Identify potential areas of corruption related to organisation activities and develop an action plan to mitigate them	Finalize an action plan to mitigate potential areas of corruption.	Date	2.0	10/12/2011	15/12/2011	20/12/2011	24/12/2011	31/12/2011
		Ensure compliance with Section 4(1) (b) of the RTI Act, 2005	No. of items on which information is uploaded by February 10, 2012	No.	2.0	16	15	14	13	12

* Mandatory Objective(s)

Section 3: Trend Values of the Success Indicators

Objective	Action	Success	Unit	Actual Value	Actual Value	Target Value	Projected Value for	Projected Value for
				FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14
[1] To create awareness among public about disinvestment process.	[1.1] Organise meeting with brokers, fund managers and investor's associations.	[1.1.1] Number of meetings/conferences held.	no	0	16	9	5	0
[2] To create appropriate reference tools of structures and processes for sale of minority shares through public offerings.	[2.1] Prepare handbook on Disinvestment Process and the steps involved.	[2.1.1] Release of Handbook	Date	--	--	15/06/2011	--	--
[3] To provide sustainable returns on corpus of National Investment Fund to the Government, without depleting the corpus.	[3.1] Investment of National Investment Fund corpus.	[3.1.1] Rate of return on the corpus of National Investment Fund.	%	8.58	10	8.5	8	8
* Efficient Functioning of the RFD System	Timely submission of Draft for Approval	On-time submission	Date	--	--	23/05/2011	--	--
	Timely submission of Results	On-time submission	Date	--	--	03/05/2012	--	--
	Finalize a Strategic Plan (After meeting all intermediate deadlines)	Finalize the Strategic Plan for next 5 years	Date	--	--	15/12/2011	--	--
* Improving Internal Efficiency / responsiveness / service delivery of Ministry / Department	Implementation of Sevottam	Create a Sevottam compliant system to implement, monitor and review Citizen's / Client's Charter	Date	--	--	15/12/2011	--	--
		Create a Sevottam Compliant system to redress and monitor public Grievances	Date	--	--	15/12/2011	--	--
	Develop RFDs for all Responsibility Centers (Subordinate Offices, Attached Offices, Autonomous Bodies)	Percentage of RCs covered	%	--	--	95	--	--

* Mandatory Objective(s)

Section 3: Trend Values of the Success Indicators

Objective	Action	Success	Unit	Actual Value	Actual Value	Target Value	Projected Value for	Projected Value for
				FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14
* Ensuring compliance to the Financial Accountability Framework	Timely submission of ATNS on Audit Paras of C&AG	Percentage of ATNS submitted within due date (4 months) from date of presentation of Report to Parliament by CAG during the year	%	--	--	90	--	--
	Early disposal of pending ATNs on Audit Paras of C&AG Reports presented to Parliament before 31.3.2011.	Percentage of outstanding ATNS disposed off during the year.	%	--	--	90	--	--
	Early disposal of pending ATRs on PAC Reports presented to Parliament before 31.3.2011	Percentage of outstanding ATRS disposed off during the year.	%	--	--	90	--	--
	Timely submission of ATRs to the PAC Sectt. on PAC Reports.	Percentage of ATRs submitted within due date (6 months) from date of presentation of Report to Parliament by PAC during the year.	%	--	--	90	--	--
* Administrative Reforms	Identify potential areas of corruption related to organisation activities and develop an action plan to mitigate them	Finalize an action plan to mitigate potential areas of corruption.	Date	--	--	15/12/2011	--	--
	Ensure compliance with Section 4(1) (b) of the RTI Act, 2005	No. of items on which information is uploaded by February 10, 2012	No.	--	--	15	--	--

* Mandatory Objective(s)

Section 4: Description and Definition of Success Indicators

Disinvestment through public offerings is fairly new and is in the process of evolution and gradual acceptance by the CPSEs and the investors. Therefore, no concrete plan could immediately be drawn up. This would be possible once all the Administrative Ministries and CPSEs concur. However, to raise the mandated budgetary resources a tentative plan is prepared based on indications received during dialogue with the Administrative Ministries and the CPSEs. The plan is reviewed and updated on a regular basis keeping in view the concurrence of the Administrative Ministry and the preparedness of the CPSE. The success is measured in terms of funds raised against the budget estimates/revised estimates.

Public Offerings, however, depend on compliance and approval of the regulatory authorities like Securities and Exchange Board of India, Reserve Bank of India, Registrar of Companies. Appointment of the required number of Independent Directors on the Board of the CPSEs concerned is a critical factor without which it is impossible to get SEBI approval for the public offering.

Section 5:
Specific Performance Requirements from other Departments

Department	Relevant success indicators	What do you need?	Why do you need?	How much you need?	What happens if you don't get it?
I. Administrative Ministry concerned with the CPSE whose shares are planned for public offering	1. Raise funds of Rs.40000 crore 2. Number of Public Offerings	The fund requirement of CPSEs and their willingness is required to be confirmed by the Administrative Ministry to formulate the proposal particularly the quantum of public offering i.e. offer for sale by GOI and fresh issue of shares by the CPSE.	The Administrative Ministry in-charge of the CPSE holds shares in it on behalf of the President of India and is better placed to assess and recommend the quantum of funds required to be raised from the capital market. It also understands the issues faced by the CPSE and the strategic reasons for maintaining a particular percentage of GOI holding in it.	Full concurrence.	The public offering cannot be pursued.

<p>III. Department of Public Enterprises</p>	<p>-do -</p>	<p>1. Listing on stock exchanges with at least 10% public shareholding should be made mandatory before conferring miniratna, navratna or maharatna status.</p> <p>2. Unlisted Miniratna, navratna should be asked to list on the stock exchanges within a period of two years, failing which, the status should stand withdrawn.</p> <p>3. Listing should be included as one of the parameters in the Memorandum of Understanding entered into by the Government with the CPSE every year as an incentive for rewarding CPSEs, with</p>	<p>Since miniratna, navratna or maharatna status provides more autonomy to the CPSE, the same should go hand in hand with higher accountability; such conditionality will encourage CPSEs to come forward for listing in accordance with the disinvestment policy of the Government.</p>	<p>Full support is required. This will provide a conducive environment for taking more and more companies to the capital market and to thus achieve the disinvestment policy objective, as well as, the targets.</p>	<p>The implementation of Disinvestment policy and targets will be adversely affected.</p>
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		appropriate weightage.			
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Section 6: OutCome/Impact of Department/Ministry

OutCome/Impact of Department/Minist	Jointly responsible for influencing this outcome / impact with the following department (s) /	Success Indicator	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14
1 Raise budgetary resources and to improve corporate governance through market discipline in CPSEs	Concerned Administrative Ministry of the CPSE being disinvested	Funds raised through public offerings. (The figures are in Rs Crore. The figures for FY12-13 and FY-13-14 are derived based on projected figures indicated in the Medium Term Fiscal Policy statement of the Union Budget for 2011-12 and are subject to budgetary targets approved by the Parliament)	23553	22144	40000	30000	25000
2 -do-	-do-	Receipts as % of GDP (assuming SENSEX remains above the average SENSEX level of 2010-11 i.e 18605)The figures for FY12-13 and FY-13-14 are derived based on projected figures indicated in the Medium Term Fiscal Policy statement of the Union Budget for 2011-12 and are subject to budgetary targets approved by the Parliament)	0.36	0.29	0.45	0.29	0.22