



Government of India

R F D

(Results-Framework Document)
for

Department of Disinvestment

(2014-2015)

Section 1: Vision, Mission, Objectives and Functions

Vision

Promote people's ownership of Central Public Sector Enterprises; release resources for capital investment; improve corporate governance in Central Public Sector Enterprises.

Mission

1. Listing all unlisted profitable Central Public Sector Enterprises on stock exchanges to facilitate: (a) Higher disclosure levels to bring about greater transparency and accountability in the functioning of the Central Public Sector Enterprises. (b) Unlocking the true value of the Central Public Sector Enterprises for all stakeholders – investors, employees, Company and the Government. (c) Develop and deepen the capital market through spread of equity culture. 2. Increase public shareholding of the listed CPSEs through disinvestment.

Objectives

- 1 To raise resources for capital investment.
- 2 To increase participation of retail investors to develop people's ownership of Central Public Sector Enterprises.
- 3 To create awareness among Ministries/Departments/ CPSEs and the public about disinvestment process.
- 4 To create appropriate reference tools of structures and processes for sale of shares through public offering/ offerings.
- 5 To ensure listing of Central Public Sector Enterprises on the stock exchanges.
- 6 To increase public shareholding in listed Central Public Sector Enterprises .

Functions

- 1 1. (a) All matters relating to disinvestment of Central Government equity in Central Public Sector Enterprises; (b) All matters relating to sale of Central Government equity through offer for sale or private placement in the erstwhile CPSEs;
- 2 (2) Implementation of disinvestment decisions, including appointment of advisors, pricing of shares, and other terms and conditions of disinvestment;
- 3 (3) CPSEs for purposes of disinvestment of Government equity only; and
- 4 (4) 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 Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
[1] To raise resources for capital investment.	65.00	[1.1] Offer for sale of shares of CPSEs in the capital market out of Government shareholding.	[1.1.1] Raise fund through IPO/FPO/OFS/erstwhile CPSEs	Rs. in crore	65.00	--	--	--	--	--
[2] To increase participation of retail investors to develop people's ownership of Central Public Sector Enterprises.	8.00	[2.1] Reserve certain proportion of 'Offer' for retail investors	[2.1.1] Over-subscription of retail segment in IPO/ FPO	%	8.00	150	100	75	60	40
[3] To create awareness among Ministries/Departments/ CPSEs and the public about disinvestment process.	7.00	[3.1] Organize meetings with brokers, fund managers and investors	[3.1.1] Increased participation of retail investors in public offerings.	%	5.00	5	4	3	2	1
			[3.1.2] Increased number of CPSEs which could be disinvested during the year.	No	2.00	3	2	1	0.5	0
[4] To create appropriate reference tools of structures and processes for sale of shares through public offering/ offerings.	5.00	[4.1] Update handbook on Disinvestment processes and steps involved.	[4.1.1] Revision of Handbook	Date	5.00	31/12/2014	15/01/2015	31/01/2015	15/02/2015	28/02/2015
* Efficient Functioning of the RFD System	3.00	Timely submission of Draft RFD for 2015-2016 for Approval	On-time submission	Date	2.0	05/03/2015	06/03/2015	09/03/2015	10/03/2015	11/03/2015
		Timely submission of Results for 2013-2014	On-time submission	Date	1.0	01/05/2014	02/05/2014	03/05/2014	06/05/2014	07/05/2014
* Enhanced Transparency / Improved Service delivery of Ministry/Department	3.00	Rating from Independent Audit of implementation of Citizens' / Clients' Charter (CCC)	Degree of implementation of commitments in CCC	%	2.0	100	95	90	85	80

* Mandatory Objective(s)

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

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
		Independent Audit of implementation of Grievance Redress Management (GRM) system	Degree of success in implementing GRM	%	1.0	100	95	90	85	80
* Reforming Administration	8.00	Update departmental strategy to align with revised priorities	Date	Date	2.0	01/11/2014	02/11/2014	03/11/2014	04/11/2014	05/11/2014
		Implement agreed milestones of approved Mitigating Strategies for Reduction of potential risk of corruption (MSC).	% of Implementation	%	1.0	100	90	80	70	60
		Implement agreed milestones for implementation of ISO 9001	% of Implementation	%	2.0	100	95	90	85	80
		% of Responsibility Centres with RFD in RFMS	Responsibility Centres covered	%	1.0	100	95	90	85	80
		Implement agreed milestones of approved Innovation Action Plans (IAPs).	% of Implementation	%	2.0	100	90	80	70	60
* Improve compliance with the Financial Accountability Framework	1.00	Timely submission of ATNs on Audit paras of C&AG	Percentage of ATNs submitted within due date (4 months) from date of presentation of Report to Parliament by CAG during the year.	%	0.25	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.	%	0.25	100	90	80	70	60

* Mandatory Objective(s)

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

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
		Early disposal of pending ATNs on Audit Paras of C&AG Reports presented to Parliament before 31.3.2014.	Percentage of outstanding ATNs disposed off during the year.	%	0.25	100	90	80	70	60
		Early disposal of pending ATRs on PAC Reports presented to Parliament before 31.3.2014	Percentage of outstanding ATRs disposed off during the year.	%	0.25	100	90	80	70	60

* Mandatory Objective(s)

Section 3: Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value for FY 12/13	Actual Value for FY 13/14	Target Value for FY 14/15	Projected Value for FY 15/16	Projected Value for FY 16/17
[1] To raise resources for capital investment.	[1.1] Offer for sale of shares of CPSEs in the capital market out of Government shareholding.	[1.1.1] Raise fund through IPO/FPO/OFS/erstwhile CPSEs	Rs. in crore	23956.06	15819.45	51925	--	--
[2] To increase participation of retail investors to develop people's ownership of Central Public Sector Enterprises.	[2.1] Reserve certain proportion of 'Offer' for retail investors	[2.1.1] Over-subscription of retail segment in IPO/FPO	%	0	300	150	150	--
[3] To create awareness among Ministries/Departments/ CPSEs and the public about disinvestment process.	[3.1] Organize meetings with brokers, fund managers and investors	[3.1.1] Increased participation of retail investors in public offerings.	%	--	--	4	--	--
		[3.1.2] Increased number of CPSEs which could be disinvested during the year.	No	--	--	3	--	--
[4] To create appropriate reference tools of structures and processes for sale of shares through public offering/offerings.	[4.1] Update handbook on Disinvestment processes and steps involved.	[4.1.1] Revision of Handbook	Date	31/10/2012	--	31/12/2014	31/12/2015	--
* Efficient Functioning of the RFD System	Timely submission of Draft RFD for 2015-2016 for Approval	On-time submission	Date	--	--	06/03/2015	--	--
	Timely submission of Results for 2013-2014	On-time submission	Date	--	29/04/2014	02/05/2014	--	--
* Enhanced Transparency / Improved Service delivery of Ministry/Department	Rating from Independent Audit of implementation of Citizens' / Clients' Charter	Degree of implementation of commitments in CCC	%	--	--	95	--	--

* Mandatory Objective(s)

Section 3: Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value for FY 12/13	Actual Value for FY 13/14	Target Value for FY 14/15	Projected Value for FY 15/16	Projected Value for FY 16/17
	(CCC)							
	Independent Audit of implementation of Grievance Redress Management (GRM) system	Degree of success in implementing GRM	%	--	--	95	--	--
* Reforming Administration	Update departmental strategy to align with revised priorities	Date	Date	--	--	02/11/2014	--	--
	Implement agreed milestones of approved Mitigating Strategies for Reduction of potential risk of corruption (MSC).	% of Implementation	%	--	--	90	--	--
	Implement agreed milestones for implementation of ISO 9001	% of Implementation	%	--	--	95	--	--
	% of Responsibility Centres with RFD in RFMS	Responsibility Centres covered	%	--	--	95	--	--
	Implement agreed milestones of approved Innovation Action Plans (IAPs).	% of Implementation	%	--	--	90	--	--
* Improve compliance with 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	--	--

* Mandatory Objective(s)

Section 3: Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value for FY 12/13	Actual Value for FY 13/14	Target Value for FY 14/15	Projected Value for FY 15/16	Projected Value for FY 16/17
	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	--	--
	Early disposal of pending ATNs on Audit Paras of C&AG Reports presented to Parliament before 31.3.2014.	Percentage of outstanding ATNs disposed off during the year.	%	--	--	90	--	--
	Early disposal of pending ATRs on PAC Reports presented to Parliament before 31.3.2014	Percentage of outstanding ATRS disposed off during the year.	%	--	--	90	--	--

* Mandatory Objective(s)

Section 4: Acronym

Sl.No	Acronym	Description
1	CPSE	Central Public Sector Enterprise
2	FPO	Follow on Public Offering
3	IPO	Initial Public Offering
4	OFS	Offer for Sale of Shares by Promoters through Stock Exchange Mechanism
5	SEBI	Securities and Exchange Board of India
6	TBD	To Be Developed

Section 4: Acronym

Sl.No	Acronym	Description
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Section 4: Description and Definition of Success Indicators and Proposed Measurement Methodology

Sl.No	Success indicator	Description	Definition	Measurement	General Comments
1	[1.1.1] Raise fund through IPO/FPO/OFS/erstwhile CPSEs	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 depend on compliance and approval of the regulatory authorities like Securities and Exchange Board of India, Registrar of Companies, etc.. 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. Volatility in the stock market is another factor influencing the timing and success of the public offering.

Section 5 : Specific Performance Requirements from other Departments

Location Type	State	Organisation Type	Organisation Name	Relevant Success Indicator	What is your requirement from this organisation	Justification for this requirement	Please quantify your requirement from this Organisation	What happens if your requirement is not met.
Central Government		Other	Others	[1.1.1] Raise fund through IPO/FPO/OFS/erstwhile CPSEs	The percentage of disinvestment of CPSEs and their willingness is required to be confirmed by the Administrative Ministry to formulate the full proposal particularly the quantum of offering i.e. offer for sale by GOI and fresh issue of shares by the CPSE.	The Administrative Ministry in-charge of the CPSE understands the issues faced by the CPSE and the strategic reasons for maintaining a particular percentage of GOI holding in it.	Full concurrence and continued proactive support till execution of the transaction.	The divestment decisions get delayed.
				[1.1.1] Raise fund through IPO/FPO/OFS/erstwhile CPSEs	Appointment of independent directors	Mandatory requirement for listing	The Administrative Ministries have to expedite at all stages the appointment of Independent Directors. Full support is required.	SEBI will not give approval for the Public Offering
				[1.1.1] Raise fund through IPO/FPO/OFS/erstwhile CPSEs	1. Listing on stock exchanges with at least 10% public shareholding should be made mandatory before conferring miniratna/ navratna status. 2.Unlisted Miniratna, navratna should be asked to list on the stock exchanges within a period of	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 divestment and compliance with corporate governance norms.		

Section 5 : Specific Performance Requirements from other Departments

Location Type	State	Organisation Type	Organisation Name	Relevant Success Indicator	What is your requirement from this organisation	Justification for this requirement	Please quantify your requirement from this Organisation	What happens if your requirement is not met.
				[1.1.1] Raise fund through IPO/FPO/OFS/erstwhile CPSEs	two years, failing which, the status should stand withdrawn.	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 divestment and compliance with corporate governance norms.	Full support is required.	

Section 6: Outcome/Impact of Department/Ministry

Outcome/Impact of Department/Ministry	Jointly responsible for influencing this outcome / impact with the following department (s) / ministry(ies)	Success Indicator	Unit	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17
1 Raise budgetary resources and to improve corporate governance in CPSEs	Administrative Ministries, DPE, DOPT	Funds raised through Offerings	Rs. in crore	24000	15819.45	51925	TBD	TBD
2 Increased accountability through listing of CPSEs on the stock exchange	Administrative Ministries - DPE - DoPT	Number of CPSEs listed on stock exchanges	No	50	50	TBD	TBD	TBD
		% of eligible CPSEs listed on Stock Exchanges	%		48	TBD	TBD	TBD
3 Increased participation of Public including retail		% of shares held with public for the listed CPSEs.	%		21.39	TBD	TBD	TBD
4 Increased participation of Retail Investors		% of shares held by retail investors in listed CPSEs.	%		2.97	TBD	TBD	TBD