



R F D

(Results-Framework Document)
for

Department of Disinvestment

(2013-2014)

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.Improvement in corporate governance through listing of Central Public Sector Enterprises on stock exchanges.

Mission

1. List all unlisted profitable Central Public Sector Enterprises on stock exchanges and increase public shareholding in the ones listed, to facilitate: (a) Higher disclosure levels to bring about greater transparency and accountability in the functioning of the Central Public Sector Enterprises. (b) Bringing market discipline to the functioning of Central Public Sector Enterprises. (c) Unlocking the true value of the Central Public Sector Enterprises for all stakeholders namely investors, employees, company and the Government. (d) Develop and deepen the capital market through spread of equity culture. 2. Already listed profitable CPSEs (not meeting mandatory shareholding norm) to be made compliant.3. Disinvestment of Government of India shareholding through any mode, on a case by case basis.

Objectives

- 1 To develop people's ownership of Central Public Sector Enterprises through increased participation of retail investors.
- 2 To create awareness among public about disinvestment process.
- 3 To create appropriate reference tools of structures and processes for sale of minority shares through public offerings.
- 4 To increase public shareholding in listed Central Public Sector Enterprises(through follow on offerings and Exchange Traded Fund based on CPSE shares) .
- 5 To raise resources for capital investment.
- 6 To ensure listing of Central Public Sector Enterprises on the stock exchanges.

Functions

- 1 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 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 develop people's ownership of Central Public Sector Enterprises through increased participation of retail investors.	5.00	[1.1] IPO/Public Offering	[1.1.1] Oversubscription of retail segment	%	5.00	150	100	75	60	40
[2] To create awareness among public about disinvestment process.	5.00	[2.1] Organise meeting with brokers, fund managers and investor's associations.	[2.1.1] Number of meetings/conferences held.	No	5.00	8	7	6	5	4
[3] To create appropriate reference tools of structures and processes for sale of minority shares through public offerings.	5.00	[3.1] Update handbook on Disinvestment Process and the steps involved.	[3.1.1] Revision of Handbook	Date	5.00	31/12/2013	15/01/2014	31/01/2014	15/02/2014	28/02/2014
[4] To increase public shareholding in listed Central Public Sector Enterprises(through follow on offerings and Exchange Traded Fund based on CPSE shares) .	5.00	[4.1] Launch of CPSE-ETF	[4.1.1] Listing of CPSE-ETF on Stock Exchanges	Rs(in 000 Crore)	5.00	3	2.7	2.4	2.1	1.8
[5] To raise resources for capital investment.	65.00	[5.1] Offer for sale of shares of CPSEs in the capital market out of Government shareholding	[5.1.1] Raising of fund through IPO/FPO/OFS	Amount in Crore	65.00	--	--	--	--	--
* Efficient Functioning of the RFD System	3.00	Timely submission of Draft RFD 2014-15 for Approval RFD System	On-time submission	Date	2.0	05/03/2014	06/03/2014	07/03/2014	08/03/2014	11/03/2014
		Timely submission of Result for 2012-13	On-time submission	Date	1.0	01/05/2013	02/05/2013	03/05/2013	06/05/2013	07/05/2013
* Improving Internal Efficiency/Responsiveness/ Transparency/Service delivery of Ministry/Department.	6.00	Update departmental strategy to align with 12th Plan priorities	Timely updation of the strategy	Date	2.0	10/09/2013	17/09/2013	24/09/2013	01/10/2013	08/10/2013
		Independent Audit of implementation of Citizens'	% of implementation	%	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%
		/Clients' Charter (CCC)								
		Independent Audit of implementation of Public Grievance Redressal System	% of implementation	%	2.0	100	95	90	85	80
* Administrative Reforms	6.00	Implement mitigating strategies for reducing potential risk of corruption	% of implementation	%	1.0	100	95	90	85	80
		Implement ISO 9001 as per the approved action plan	% of implementation	%	2.0	100	95	90	85	80
		Implement Innovation Action Plan (IAP)	% of agreed milestones achieved	%	2.0	100	95	90	85	80
		Identification of core and non-core activities of the Ministry/Department as per 2nd ARC recommendations	Timely submission	Date	1.0	01/10/2013	15/10/2013	30/10/2013	10/11/2013	20/11/2013

* Mandatory Objective(s)

Section 3: Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value for FY 11/12	Actual Value for FY 12/13	Target Value for FY 13/14	Projected Value for FY 14/15	Projected Value for FY 15/16
[1] To develop people's ownership of Central Public Sector Enterprises through increased participation of retail investors.	[1.1] IPO/Public Offering	[1.1.1] Oversubscription of retail segment	%	3.39	0	1.50	1.50	1.50
[2] To create awareness among public about disinvestment process.	[2.1] Organise meeting with brokers, fund managers and investor's associations.	[2.1.1] Number of meetings/conferences held.	No	16	10	8	5	2
[3] To create appropriate reference tools of structures and processes for sale of minority shares through public offerings.	[3.1] Update handbook on Disinvestment Process and the steps involved.	[3.1.1] Revision of Handbook	Date	16/06/2011	31/10/2012	31/12/2013	31/12/2014	31/12/2015
[4] To increase public shareholding in listed Central Public Sector Enterprises(through follow on offerings and Exchange Traded Fund based on CPSE shares) .	[4.1] Launch of CPSE-ETF	[4.1.1] Listing of CPSE-ETF on Stock Exchanges	Rs(in 000 Crore)	--	--	3	--	--
[5] To raise resources for capital investment.	[5.1] Offer for sale of shares of CPSEs in the capital market out of Government shareholding	[5.1.1] Raising of fund through IPO/ FPO/OFS	Amount in Crore	13894.05	23956.82	--	--	--
* Efficient Functioning of the RFD System	Timely submission of Draft RFD 2014-15 for Approval RFD System	On-time submission	Date	--	--	06/03/2014	--	--
	Timely submission of Result for 2012-13	On-time submission	Date	--	--	02/05/2013	--	--

* Mandatory Objective(s)

Section 3: Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value for FY 11/12	Actual Value for FY 12/13	Target Value for FY 13/14	Projected Value for FY 14/15	Projected Value for FY 15/16
* Improving Internal Efficiency/Responsiveness/ Transparency/Service delivery of Ministry/Department.	Update departmental strategy to align with 12th Plan priorities	Timely updation of the strategy	Date	--	--	17/09/2013	--	--
	Independent Audit of implementation of Citizens'/Clients' Charter (CCC)	% of implementation	%	--	--	95	--	--
	Independent Audit of implementation of Public Grievance Redressal System	% of implementation	%	--	--	95	--	--
* Administrative Reforms	Implement mitigating strategies for reducing potential risk of corruption	% of implementation	%	--	--	95	--	--
	Implement ISO 9001 as per the approved action plan	% of implementation	%	--	--	95	--	--
	Implement Innovation Action Plan (IAP)	% of agreed milestones achieved	%	--	--	95	--	--
	Identification of core and non-core activities of the Ministry/Department as per 2nd ARC recommendations	Timely submission	Date	--	--	15/10/2013	--	--

* Mandatory Objective(s)

Section 4: Acronym

Sl.No	Acronym	Description
1	ETF	Exchange Traded Fund
2	FPO	Further Public Offering
3	IPO	Initial Public Offering
4	OFS	Offer for Sale of Shares by Promoters through Stock Exchange Mechanism

Section 4: Description and Definition of Success Indicators and Proposed Measurement Methodology

SI.No	Success indicator	Description	Definition	Measurement	General Comments
1	[7.1.1] Raising of fund through IPO/ FPO/OFS	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. 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 the 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.
			Others	[7.1.1] Raising of fund through IPO/ FPO/OFS	<p>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 offering i.e. offer for sale by GOI and fresh issue of shares by the CPSE.</p> <p>(ii) Appointment of independent directors</p> <p>(iii) Listing on stock exchanges with at least 10% public shareholding should be made mandatory before conferring miniratna, navratna or maharatna status.</p> <p>(iv) Unlisted Miniratna, navratna should be</p>	<p>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.</p> <p>(ii) Mandatory requirement for listing</p> <p>(iii) and (iv) 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 concurrence and continued proactive support till execution of the transaction</p> <p>(ii) In the appointment of independent directors all these departments have an important role to play in seeking appropriate approval. Any delay or the approval not coming through or coming late will affect the public offering adversely.</p> <p>(iii) and (iv) 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 offering cannot be pursued.</p> <p>(ii) SEBI will not give approval for the Public Offering</p> <p>(iii) and (iv) The implementation of Disinvestment policy and disinvestment receipts will be adversely affected.</p>

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.
			Others	[7.1.1] Raising of fund through IPO/ FPO/OFS	asked to list on the stock exchanges within a period of two years, failing which, the status should stand withdrawn.	<p>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.</p> <p>(ii)Mandatory requirement for listing</p> <p>(iii) and (iv) 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 concurrence and continued proactive support till execution of the transaction</p> <p>(ii)In the appointment of independent directors all these departments have an important role to play in seeking appropriate approval. Any delay or the approval not coming through or coming late will affect the public offering adversely.</p> <p>(iii) and (iv) 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 offering cannot be pursued.</p> <p>(ii)SEBI will not give approval for the Public Offering</p> <p>(iii) and (iv) The implementation of Disinvestment policy and disinvestment receipts will be adversely affected.</p>

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 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
1 Raise budgetary resources and to improve corporate governance through market discipline in CPSEs	Administrative Ministries/ DPE/DOPT	Funds raised through Offerings	Amount in Crore	13894.05	23956.82			
2 Increased accountability through listing of CPSEs on the stock exchange	Administrative Ministries/ DPE/DOPT	Number of CPSEs listed on stock exchange	No	1	0			
3 Increased accountability through listing of CPSEs on the stock exchange	Administrative Ministries/ DPE/DOPT	Percentage of eligible CPSEs listed on Stock Exchanges	%	2	0			
4 Increased participation of Public		Percentage of CPSE shares held with public for the CPSEs additionally listed in the year	%	10	0			
5 Increased participation of Retail Investors		Percentage of CPSE shares held with retail investors for the CPSEs listed in the year	%	3.5	0			