

**Results-Framework Document (RFD) for
Ministry of Heavy Industries & Public Enterprises,
Department of Public Enterprises
(2009-2010)**



RFD

RESULTS-FRAMEWORK DOCUMENT

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SECTION 1:

Vision, Mission, Objectives and Functions

VISION :

To evolve policies, reform programs, guidelines and mechanisms towards the establishment of a strong and effective public sector.

MISSION :

To continuously improve the management of public sector enterprises by professionalizing management, goal setting and reviewing performance, developing a comprehensive Management Information System (MIS), evolving guidelines for corporate governance and social responsibility and strengthening institutional mechanisms for revival of sick units.

OBJECTIVES :

1. Laying down policy guidelines for
 - (a) professionalization of management of Central Public Sector Enterprises (CPSEs)
 - (b) better corporate governance
2. Laying down policy guidelines for delegation of power to Board of Directors including Navratna and Miniratna status and review thereof.
3. Corporate Social Responsibility.
4. Institutional mechanism for revival of sick enterprises.
5. Performance goal setting and evaluation.
6. Collection and maintenance of information on key areas of the functioning of CPSEs.
7. Settlement of commercial disputes between CPSEs inter se etc. through Permanent Machinery of Arbitration (PMA).

FUNCTIONS :

- (i) Co-ordination of matters of general policy of non-financial nature relating to public sector enterprises.
- (ii) Formulation of policies, pertaining to public sector enterprises, in areas like board structures, personnel management, performance improvement, financial management, wage settlement, etc.
- (iii) Conferring and review of Navratna/Mini Ratna status to CPSEs.
- (iv) Matters relating to delegation of powers to Board of Directors.
- (v) Policy relating to deputation of Government officers to public sector enterprises.
- (vi) Publication of the annual survey of CPSEs known as Public Enterprises Survey.
- (vii) Memorandum of Understanding (MoU) between the public sector enterprises and the administrative Ministries/ Departments.
- (viii) Matters relating to Counselling, Retraining and Redeployment Scheme (CRR) for rationalized employees of CPSEs.
- (ix) Matters relating to Board for Reconstruction of Public Sector Enterprises (BRPSE).
- (x) Matters relating to reservation of posts in the public sector enterprises for certain classes of citizens.
- (xi) Settlement of disputes through Permanent Machinery of Arbitration (PMA) among Public Sector Enterprises and between Public Sector Enterprises and government departments except disputes relating to tax matters.
- (xii) Matters relating to International Centre for Promotion of Enterprises (ICPE) and Standing Conference of Public Enterprises (SCOPE).

SECTION – 2

Inter se Priorities among key Objectives, Success indicators and Targets

Column 1	Column 2	Column 3	Column 4		Column 5	Column 6				
Objective	Weight	Actions	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
1(a) Streamlining the procedure for appointment of non-official Directors on the Boards of CPSEs	25	(i) Finalization of ACC Note on amendment of guidelines for appointment of non-official directors	Submission of ACC Note to DOPT	Time	10	15 th January, 2010	31 st January, 2010	1 st Feb., 2010	15 th Feb., 2010	1 st March, 2010
		(ii) Launch of Online portal for updation of Database of Directors of CPSEs	Launch of online portal for use by CPSEs & Ministries	Time	15	20 th March, 2010	31 st March, 2010	-	-	
(b) To lay down policy on effective Corporate Governance in CPSEs	10	Finalization of Cabinet Note on Guidelines on Corporate Governance for CPSEs	Submission of Cabinet Note to Secretariat	Time	10	15 th March, 2010	31 st March, 2010			

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Column 1	Column 2	Column 3	Column 4		Column 5	Column 6				
Objective	Weight	Actions	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
2. Declaration of policy on Corporate Social Responsibility (CSR)	5	Issue of guidelines on CSR	Issue of guidelines	Time	5	15.3.2010	31.3.2010			
3 (a) Fixing Memorandum of Understanding (MoU) targets 2010-11	15	Holding negotiation meetings with CPSEs and administrative Ministries and finalizing MOU targets	Finalization of minutes of Task Force meetings of 100% of companies which submitted draft MOU by target date i.e. 18.12.2009	Time	15	20.3.2010	24.3.2010	28.3.2010	31.3.2010	-
3. (b) Evaluation of Memorandum of Understanding (MoU) 2008-09	15	Submission of MoU 2008-09 final scores and ratings to High Power Committee (HPC) on MoU	Submission to Cabinet Secretary the file containing final MoU score and rating of CPSEs as evaluated by respective Task Force Group	Time	15	15 th January, 2010	20 th January, 2010	25 th January, 2010	31 th January 2010	-

Column 1	Column 2	Column 3	Column 4		Column 5	Column 6				
Objective	Weight	Actions	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
4. Evaluation of (CRR) Scheme	10	Follow up action on Evaluation report of CRR Scheme	Issuing guidelines on follow up action	Time	10	15.3.10	31.3.10			
5. Public Enterprises (PE) Survey 2008-09	10	Publication of PE Survey 2008-09	Placing of the PE Survey 2008-09 in Parliament by stipulated date	Time	10	Ist day of the Budget Session	One week after the commencement of Budget Session	Two weeks after the commencement of the Budget Session	Three weeks after the commencement of the Budget Session	Four weeks after the commencement of the Budget Session
6. Settlement of commercial disputes between CPSEs through Permanent Machinery of Arbitration.	5	Completion of arbitration cases	Publication of awards for cases older than six months	No.	5	7	5	4	3	-
Total	95				95					

SECTION : 3

Trend Value of the Success Indicators

Objective	Actions	Success Indicator	Unit	Actual Value for FY 07/08	Actual Value for FY 08/09	Target Value for FY 09/10	Projected Value for FY 10/11	Projected Value for FY 11/12
1(a) Streamlining the procedure for appointment of non-official Directors on the Boards of CPSEs	(i) Finalization of ACC Note on amendment of guidelines for appointment of non-official directors	Submission of ACC Note to DOPT	Time	NA	NA	31 st January, 2010	NA	NA
	(ii) Launch of Online portal for updation of Database of Directors of CPSEs	Launch of online portal for use by CPSEs & Ministries	Time	NA	NA	31 st March, 2009	NA	NA
1(b) To lay down policy for effective Corporate Governance in CPSE	Finalization of Cabinet Note framing Guidelines on Corporate Governance for CPSEs	Submission of Cabinet Note to Cabinet Secretariat	Time	NA	NA	31 st March, 2010	NA	NA
2. Declaration of policy on Corporate Social Responsibility (CSR)	Issue of guidelines on CSR	Issuance of guidelines	Time	NA	NA	31 st March, 2010	NA	NA

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Trend Value of the Success Indicators

Objective	Actions	Success Indicator	Unit	Actual Value for FY 07/08	Actual Value for FY 08/09	Target Value for FY 09/10	Projected Value for FY 10/11	Projected Value for FY 11/12
3 (a) Fixing Memorandum of Understanding (MoU) targets 2010-11	Holding negotiation meetings with CPSEs and administrative Ministries and finalizing MOU targets	Finalization of minutes of Task Force meetings of 100% of companies which submitted draft MOU by target date i.e. 18.12.2009	% age	NA	NA	24.3.2010	90%	90%
3. (b) Evaluation of Memorandum of Understanding (MoU) 2008-09	Submission of MoU 2008-09 final scores and ratings to High Power Committee (HPC) on MoU	Submission to Cabinet Secretary the file containing final MoU score and rating of CPSEs as evaluated by respective Task Force Group	Time	18.10.2007	31.12.2008	20 th January, 2010	10 th January, 2011	10 th January, 2012
4. Evaluation of (CRR) Scheme	Folloow up action on Evaluation report of CRR Scheme	Issuing guidelines on follow up action	Time	NA	NA	31.3.10	--	--

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Trend Value of the Success Indicators

Objective	Actions	Success Indicator	Unit	Actual Value for FY 07/08	Actual Value for FY 08/09	Target Value for FY 09/10	Projected Value for FY 10/11	Projected Value for FY 11/12
5. Public Enterprises (PE) Survey 2008-09	Publication of PE survey 2008-09	Placing of the PE Survey 2008-09 in Parliament by stipulated date	Time	29.02.08	25.02.09	One week after the commencement of the Budget Session	One week after the commencement of the Budget Session	One week after the commencement of the Budget Session
6. Settlement of commercial disputes between CPSEs through Permanent Machinery of Arbitration	Completion of arbitration cases	Publication of awards for cases older than six months	No.	12	28	20	27	30

SECTION 4:

Description and Definition of Success Indicators and Proposed Measurement Methodology

1. For assessing the impact of implementation of Counseling, Retraining and Redeployment (CRR) Scheme, a professional consultant has been engaged to undertake evaluation. The consultant has since submitted the report. Follow up action on the report is scheduled in this financial year.
2. A draft policy on Corporate Social Responsibility (CSR) for CPSEs has been formulated after consultation with all the stake holders. A note for COS was submitted to Cabinet Secretariat on 11.8.2009 and the same was considered in the meeting of the COS held on 15.12.2009. Action for issuance of guidelines is to be initiated after receipt of minutes of COS meeting.
3. Annual PE Survey is published in three volumes containing financial and physical performance of Central Public Sector Enterprises (CPSEs). The survey is based on audited accounted figures of CPSEs. The information is being collected and compiled for placing before the Parliament.
4. Permanent Machinery of Arbitration (PMA) was set up in Department of Public Enterprises in the year 1989 with a view to expedite the settlement of commercial disputes between CPSEs etc. As per the guidelines, the award in each case is required to be published within six months after entering upon the reference or after having been called upon to act by notice in writing from any party to the arbitration agreement or within such extended time as parties may allow. The idea is to dispose off the pending arbitration cases expeditiously.

The total number of cases pending with the Arbitrator at the end of December, 2009 is 54, out of which 16 are sub-judice. All these cases, barring one are six month old cases. The number of cases disposed off in the year 2007-08 and 2008-09 were 12 and 28 respectively. Based on the past performances and the review of the status of the cases pending with the Arbitrator, the target for the success indicator 'disposal of Arbitration cases' in the RFD is kept at 5.

SECTION 5:

Specific Performance Requirements from other Departments

Department	Relevant Success Indicator	What do you need?	Why do you need it?	How much you need?	What happens if you do not get it?
Administrative Ministries/ Deptts.	Submission of Cabinet Note on Guidelines on Corporate Governance for CPSEs to Cabinet Secretariat	Comments from various Ministries/ Departments on draft Cabinet Note	Inter-Ministerial Consultations are required to be undertaken	Comments from Ministries are required	The Note will not be finalized in absence of comments from Ministries.
Administrative Ministries/ Deptts	Finalisation of Task Force meeting minutes regarding MoUs with parent CPSEs for 2010-11	Submission of draft MoUs 2010-11 by the CPSEs/ administrative Ministries/ Departments	For holding MoU negotiation meeting of Task Force to finalise MoU targets 2010-11	Submission of draft MoU 2010 in entirety	The Task Force meetings cannot be held in absence of draft MoU hence, minutes of the meeting cannot be finalized by target date of 31.3.2010.
All concerned administrative Ministries/ Departments	Placing of the PE Survey 2008-09 in Parliament by stipulated date	Directions by administrative Ministries/ Departments to all CPSEs for furnishing information by stipulated date	Preparation of PE Survey 2008-09	All CPSEs data	Delay in placing of PE Survey 2008-09 in Parliament

Mandatory Success Indicators

Each RFD must contain the following mandatory indicators to promote systemic efficiency.

Objective	Actions	Success Indicator	Unit	Weight	Target / Criteria Value				
					Excellent	Very Good	Good	Fair	Poor
					100%	90%	80%	70%	60%
Efficient Functioning of the RFD System	Timely submission of Draft for Approval	On-time submission	Date	2%	Nov. 29 2009	Nov. 30 2009	Nov. 31 2009	Dec. 1 2009	Dec. 2 2009
	Timely submission of Results	On-time submission	Date	1%	April 30 2010	May 1 2010	May 3 2010	May 4 2010	May 5 2010
	Finalize a Strategic Plan	Finalize the Action Plan to make the Strategic Plan for next 5 years	Date	2%	Feb. 12 2010	Feb 15 2010	Feb 18 2010	Feb 21 2010	Feb 24 2010

Shri Vilasrao Deshmukh

Minister

Ministry of Heavy Industries
and Public Enterprises

Shri Bhaskar Chatterjee

Secretary

Department of Public
Enterprises

Place: New Delhi

Date:
