

Financial and operational autonomy for profit making enterprises (Miniratnas)—Monitoring of performance.

In pursuance of the policy objective to make the public sector more efficient and competitive, the Government have already issued guidelines for grant of enhanced autonomy on various issues to eligible profit making public enterprises and for restructuring of their Board vide two OMs of even number dated 9.10.97.

2. The monitoring of the performance of these PSEs would be done primarily by their own Boards. The Administrative Ministry should also continue to monitor the performance. This performance assessment should be carried out on a quarterly basis, by a team consisting of the Secretary of the administrative Ministry, the CEO of the PSE and one or more outside experts. In this monitoring, special attention must be paid to the areas of technology and to R&D. The PSEs should themselves pay special attention to the assessment of their own technology status, to acquiring and assimilating technologies necessary to make them competitive, and to their own R&D efforts to maintain a sustained strength in the technological field. They should set up a Board level Committee for this purpose.

3. At the apex level, a group consisting of the Secretary (Public Enterprises), Secretary (Expenditure), Secretary (Planning Commission) and the Administrative Secretary (or their representatives not below the level of Joint Secretary) shall function as the forum for inter-Ministerial discussions and continuous overview of the performance of the PSE. This group will take note of the strategic planning and targets of the PSEs and would review their performance periodically. The objective of this group would also be to provide a pro-active and positive support to PSEs in their performance improvement.

4. These enterprises may continue to enter into Memoranda of Understanding with the Administrative Ministries in which targets relating to various activities and performance parameters would be laid down. It should be ensured that meaningful and challenging performance targets are fixed and this should be done by a team consisting of nominees of the administrative Ministry, DPE and outside expert (s).

5. The above review and monitoring mechanism may please be brought to the notice of the enterprises under your administrative control and made operative with immediate effect.

(DPE O.M. No. DPE/11/36/97-Fin. dated 9th October, 1997)