

SCHEME OF RESEARCH, DEVELOPMENT AND CONSULTANCIES ON GENERIC ISSUES RELATED TO PUBLIC SECTOR ENTERPRISES

1. Objective:

1.1 The objectives of Scheme of Research, Development & Consultancies (RDC) are to:

- (i) Undertake thematic studies on the generic issues of general/sectoral nature concerning public sector enterprises in the fast-changing economic scenario of the world.
- (ii) Conduct seminars and workshops on the generic issues concerning public sector enterprises to adopt collaborative and cooperative learning for experience sharing.
- (iii) Conduct training programmes for capacity building and skill development.
- (iv) Constant improvement in performance evaluation and management process of central Public Sector Enterprises (CPSEs).
- (v) Incentivize best practices in focus areas through grant of awards/incentives to CPSEs and SLPEs.
- (vi) Deal with any other pertinent issue related to Department of Public Enterprises (DPE).

2. Scope

I. Thematic Consultancies and Studies:

2.1 There is need to entrust studies to various organizations/consultants on general/sectoral issues pertaining to public enterprises. Thematic studies and consultancies on generic issues like corporate governance, Memorandum of Understanding (MoU) system, professionalization, project management, risk management, human resource management, Corporate Social Responsibility (CSR) etc. related to Public Sector Enterprises would be undertaken. In addition benchmarking studies on selected sectors would be undertaken to enable enterprises to move towards achieving those benchmarks and become nationally/internationally competitive. All such expenses will be met from the Scheme.

II. Seminars, workshops etc. on generic issues of CPSEs

2.2 Seminars and Conferences provide inputs to address pertinent issues. With objective to gain experience in many different ways of learning and to keep engaged through learning activities, seminars, workshops, conferences etc. on various generic issues need to be organized. After coming into force of the provisions of Companies Act, 2013 on Corporate Social Responsibility (CSR) more emphasis is needed on frequent meets. While enterprises may be in different sectors, there are many common issues of concern. CPSEs and SLPEs are operating in an international environment where it is imperative to actively utilize and adopt international best practices to enhance their competitive edge. For this

purpose, selected groups of experts having the required domain knowledge or related experts would be engaged. Emphasis would be on encouraging study tours, participation in international workshop and other learning events by DPE officials as well as officials of such Public Enterprises. All such expenses would be met from this scheme.

III. Strengthening of the MoU system

2.3 The existing MoU system is one of the most important instruments towards improving the performance of the CPSEs. This needs to be strengthened by improving the quality of critical analysis of the specific operational conditions, market scenario including future trends/outlook etc. of the sectors in which CPSEs operate. This will be done through provision of technical support to the Task Force of MoU by utilizing the technical services/expertise of knowledge of partner. Establishing an online system based on a single window concept for all MoU related matters for all stakeholders needs to be established. Expenditure associated with the administrative and logistical arrangements of MoU related work will be met from the scheme. The nature of expenditure would include all expenses related to development and maintenance of online MoU system, technical support group for Task Force, briefing meetings with Task Force members, sitting fees/TA&DA of Task Force members, refreshment for MoU meetings/MoU works, expenditure on hiring experts for analysis and evaluation for the purpose of MoU, secretarial assistance to experts/officers associated with MoU related work including logistic support, hiring of vehicles etc. The limit of expenditure related to MoU works will be in accordance with the concurrence of Financial Advisor of the Department.

IV. Skill Development/ Training of Executives & Employees of CPSEs/SLPEs/Department of Public Enterprises.

2.4 Skill development is central to manpower planning & HR development. It is also critical in enabling the employees to augment their capacities and enhance their productivity in the enterprises and consequently contribute to the wealth generation in the country. DPE may supplement the efforts of State / UTs in improving / upgrading the skills of managers / executives / employees in SLPEs through skill development / Training programmes. CPSEs also design their own human resource development programmes for upgrading the skills and knowledge of their executives. To supplement the efforts of CPSEs, DPE may conduct training programmes in collaboration with some of the premier management / training institutes on the pattern of Skill Development / Training of Executives & Employees of SLPEs. In view of the fact that practices and emerging challenges in many ways are common for CPSEs as well as SLPEs, DPE will explore the possibility of organising common training programmes comprising of participants of both of CPSEs and SLPEs. This will enable wider exposure and sharing of experience on pertinent issues. In line with SLPEs and

CPSEs, DPE will also explore avenues for conducting training for its officials at the level of Section Officer/ Assistant Director/ Deputy Director/ Under Secretary/ Joint Director/ Deputy Secretary/ Director for up-gradation of their skills and knowledge by organizing specialized training programmes at premier institutes like IITs, IIMs, ASCI, IIPA etc.

V. Training of Directors of CPSEs with special emphasis on non-official Directors

2.5 The guidelines on Corporate Governance of CPSEs issued by DPE stipulate training to newly inducted NODs in the business model of the company. However, besides induction training by CPSEs with a view to familiarize with the rules and regulations, business module, risk profile etc., DPE also in collaboration with respective CPSEs, from time to time, may organize general short term training for NODs, official directors and other Directors on the boards of CPSEs on relevant areas including model code of business ethics and conduct of the company. It will enrich the board in suggesting the best solution for short/ long term prosperity of the enterprises.

2.6 Identification and Training needs

2.6.1 While the focus of the training will be on upgrading the skills of key personnel, it may also include institution building/ organizational improvement. To identify the training needs, in each of the thrust areas, suggestions/ feedback of states /UTs/SLPEs/CPSEs and Centre of Excellence such as IIMS, IITs, ASCI, IIPA,IPE and others will be sought. In respect of CPSEs/SLPEs/DPE, training programme may include financial/marketing management, leadership challenge, total quality management , information technology, e-commerce, e-governance, corporate governance, capital market reform and risk management, negotiation strategies & skills, health & stress management, industrial relation & labour issues, international taxation, international finance/accounting standards, management information system, communication skills, corporate social responsibility and sustainability, project planning and monitoring, induction/ foundation courses of NoDs etc.

2.7 Implementation

2.7.1 Common training programmes will be organized either in selected institutes or by them at selected places at the pan India level, against which States/UTs SLPEs/CPSEs/DPE will be asked to send nominations. These institutes will belong to the following groups of Centers of Excellence dealing with corporate issues/ problems such as:

(a) IIMS, IITs, Institute of Public Administration (IPA) New Delhi, Administrative Staff College of India, Hyderabad, Institute of Public Enterprises

(IPE) Hyderabad, Lal Bahadur Shastri National Academy of Administration, Mussoorie etc.

(b) Statutory bodies like Institutes of Chartered Accountants of India (ICAI) New Delhi, Institute of Cost Accountants of India, New Delhi, Indian Institute of Corporate Affairs (New Delhi) etc.

(c) Apex Chambers of Commerce and institutes belonging to CPSEs and SLPEs: and

(d) Institute under State and Central Government.

2.7.2 An Oversight Committee will be constituted for the implementation and monitoring of the activities undertaken under Skill Development / Training of Executives & Employees of CPSEs/SLPEs as per following:

(i) Additional Secretary/Joint Secretary/Adviser In-Charge of Scheme- Chairman

(ii) Directors/ Deputy Secretary of various divisions- Member

(iii) Director/ Deputy Secretary in-charge of Scheme – Member Convener

2.7.3 The committee will also identify panels of experts/academic/research/professional organizations/ institutions of repute to undertake surveys, studies etc. For this purpose, a suitable database will be built up. The concerned Divisions follow the rules and procedure laid down by GFR in this regard for selection of the expert/consultant/agency etc. The Oversight Committee will scrutinize each proposal with reference to the TOR and financial parameters/norms and shall keep in mind the capability, technical expertise available with the institutes and the financial bid offered by the institutions while taking a decision in the matter following the GFR provisions. There shall be no restrictions on award of more than one study to a particular institution. The decision of the Oversight Committee shall be final.

2.8 Funding pattern

2.8.1 Training will be imparted in all the three formats of residential, non-residential and in-house programmes. Besides, conventional methods, the training shall also be imparted by different modes of e-learning programmes like Synchronous, Asynchronous, Blended, etc. Under the scheme, the fund will be available as grant-in-aid to institutes/ Specialized Bodies/ CPSEs/ SLPEs for meeting the cost of training (including boarding & lodging of trainees). The maximum cost of training permissible will be Rs. 10,000/- (Rupees ten thousand), per participant per day for residential courses and Rs. 5,000/- (Rs. Five Thousand) for non-residential courses. For determining the ceilings, tax component, including service tax will not be taken into account. In general, the cost of the different programmes will be considered in line with the published

cost of training in the institute/ organizations for other programmes conducted earlier or proposed on similar pattern. This will not include transportation cost (TA/DA) of the participants which will have to be borne by the concerned State/SLPE.

2.8.2 In case if the training institutions make any request for advance payment, the same may be paid @50% of the approved training cost with the concurrence of IFW. The advance would be released only after freezing the list of participants. The training imparting institutes would be advised to keep a list of 10% more participants so as to accommodate last minute drop-outs.

2.9 Terms & Conditions of Payment for Studies/Assignments/Reports

2.9.1 The terms of payment for studies/assignments under this Scheme in general will be as under:

- (i) First installment 40 per cent of the fees on signing of the agreement.
- (ii) Second installment 35 per cent, subject to (a) submission of the draft report (5 copies of the draft report including executive summary) within the time frame stipulated in the agreement and (b) a presentation on the draft report being made before the steering Committee and the draft report being found to be generally acceptable.
- (iii) Third and final installment: balance 25 per cent on submission of the final report and its acceptance by the Government. Any delay in submission of report without due approval by the Ministry will attract a penalty of 5% per week and the balance 25% will be forfeited on delay in submission of the report beyond 5 weeks from the stipulated date. The final payment will be made within 6 weeks on acceptance of the report and submission of the bills etc. by the agency.

2.9.2 The terms of payment and general terms of conditions for studies/assignment for engagement of knowledge partner will be decided by the concerned Division keeping in mind the terms of reference for these activities with the approval of the Oversight Committee.

VI. Printing of Public Enterprises Survey of CPSEs

2.10 The Public Enterprises (PE) survey is the annual consolidated report on the performance of all CPSEs. The CPSE Survey provides a comprehensive review of the performance of CPSEs and their contribution to Indian Economy. P.E. Survey is a very important Report placed in the Parliament every year and the expenses towards its printing will be met from the RDC Scheme.

VII. Incentives/Awards to CPSEs & SLPEs

2.10.1 There is a need to encourage CPSEs and SLPEs to innovate in areas important for the future growth by grant of Incentives/Awards found to be excelling in such areas. The

Oversight Committee (mentioned in Sub-para 2.7.2) will decide the focus area for grant of incentives/awards and the amount as well as modalities for selection of the best performing CPSEs in these areas. The committee may take the assistance of subject sector specialists/experts in this process.

VIII Payment of Contribution to International Centre for Promotion of Enterprises (ICPE)

2.10.2 The objective of International Centre for Promotion of Enterprises (ICPE) Ljubljana, Slovenia is to promote and support enterprise development in developing countries in both private and public sector. ICPE is an intergovernmental organization. Being a founder member of ICPE, India has been taking active parts in its activities by way of attending Council/ Assembly Sessions regularly at the level of Secretary. Senior and middle level executives of CPSEs have been going to ICPE for various training programmes including costs likely to be incurred on software development on various activities like maintenance of online MoU system, online P.E. Survey, monitoring of CSR, etc. Payment of Government of India's annual membership contribution to ICPE will be made from RDC scheme.

IX Payment of Outsourced Manpower Support and Software Development.

2.10.3 Since the scope and coverage of activities under RDC scheme is very wide and multifarious, proper manpower support would be needed to run the scheme properly. In view of the fact that DPE has skewed manpower strength, support of outsourced personnel would be required. Payment of Consultants / Programmers / Faculty for giving lectures on generic issues including expenditure incurred on software development for maintenance of online MoU system, online P.E. Survey, Monitoring of CSR etc. associated with RDC scheme will be made from the RDC scheme itself.

3. Payment Procedure

3.1 All the payments under the RDC Scheme would be governed through the procedure as laid down in General Financial Rule (GFR) and after obtaining concurrence of the Integrated Finance Wing.

4. Identification of activities and review of progress

4.1 Identification of activities to be carried out by various Divisions in DPE may be decided in the presence of Secretary, DPE, Additional Secretary, Joint Secretaries, and Advisors in the beginning of the financial year. Secretary, DPE may also review the progress under the scheme from time to time.