

**Report of the Committee to review the
format of Annual Performance Report (APR)
and procedure for writing APR**

Department of Public Enterprises

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LIST OF ABBREVIATIONS

Abbreviations	Details
AIS	All India Services
APR	Annual Performance Report
CPSE	Central Public Sector Enterprise
DPE	Department of Public Enterprises
MOU	Memorandum of Understanding
PAR	Performance Appraisal Report
PBT	Profit Before Tax
PESB	Public Enterprises Selection Board
PRC	Pay Review Committee
PRP	Performance Related Pay
SCOPE	Standing Conference on Public Enterprises

EXECUTIVE SUMMARY

1. This section summarizes the key recommendations of the Committee towards improving the existing Annual Performance Report (APR) formats as well as the processes & procedures stipulated for writing the APR of Chief Executives (Executive Chairman, Chairman & Managing Directors and Managing Directors), Functional Directors and senior below Board level executives (Executive Directors (E9) and General Managers (E8)).
2. The existing procedure and format for writing APR and Performance Appraisal Report (PAR) of All India Services (AIS) officers were considered for developing new format and procedure. (Para 2.3)
3. The Committee has recommended channel of submission of PAR in a tabular form so that it is clear and unambiguous. Administrative Ministries have, however, been given the liberty to make modification in the prescribed channel with the concurrence of DPE. (Para 3.4.1.1)
4. The Committee has recommended a detailed time schedule for each and every process of Performance Appraisal exercise so that the exercise is completed before completion of one year after the Reporting year. (Para 3.4.1.2)
5. The Committee is of the view that it would be necessary to monitor the PAR process closely so that everybody involved in the process adheres to the prescribed time schedule and it is completed in time. For the purpose of close monitoring of the Performance Appraisal exercise, the Committee recommends appointment of senior officers of CPSEs and the administrative ministries/departments as Nodal officers. (Para 3.4.1.3)
6. The Nodal officer of the CPSE should be responsible for communication of the full Performance Appraisal Report. The concerned officer reported upon should be given the opportunity to make a representation, if any, against the entries and the final grading given in the PAR. (Para 3.4.1.5)
7. PESB, being the nodal authority responsible for selection of Board level executives in CPSEs, should maintain the PARs of all Board level executives of CPSEs so as to facilitate them in carrying out their task of selection of Board level executives in CPSEs and, for this purpose, it may develop an online database system for maintaining the soft copy of PAR of all board level executives of CPSEs with provision for limited access to the Nodal officers of CPSEs/administrative Ministry/Department. (Para 3.4.1.6)
8. DPE, being the nodal department for CPSEs, should monitor the timely completion of Performance Appraisal exercise in respect of top management incumbents in CPSEs. (Para 3.4.1.7)
9. The revised procedure and guidelines for writing PAR recommended by the Committee is given at Annex I. (Para 3.4.1)

10. The Committee felt that the weightage for MOU performance should not be same for both Functional Directors and below Board level executives as their role and functions are different. The Committee decided to recommend weightage for MOU performance in the PAR of Chief Executives, Functional Directors and Executive Directors/General Managers at 75%, 40% and 25% respectively. (Para 3.4.2.1)
11. The Committee also felt that the existing parameters for judging competencies, potentials and values are too many and also overlapping. The Committee therefore recommends rationalization of these attributes with uniform weightage of 25% for all executives, including Chief Executives. (Para 3.4.2.1)
12. The current and proposed weightage for MOU targets, individual targets and personal attributes and functional competencies for all the 3 levels of top management incumbents of CPSEs are mentioned in the Table No. 1 given below: (Para 3.4.2.1)

Table No.1 - Components of PAR and their relative weights

Designation	Weightage							
	MOU targets		Individual targets flowing from MOU targets		Personal attributes and functional competencies		Total	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
Chief Executives	75	75	-	-	25	25	100	100
Functional Directors	25	40	25	35	50	25	100	100
Executive Directors (E9) & General Managers (E8)	25	25	25	50	50	25	100	100

13. The Committee recommends a common format for Chief Executives, Functional Directors, Executive Directors (E9) and General Managers (E8). (Para 3.4.2.2)
14. The Committee recommends that in order to objectively assess the performance of the executives, it would be essential to have information in the PAR about the constraints, if any, faced by the executives and also the details of exceptional work performed by the executives. (Para 3.4.2.3)
15. The Committee recommends that the views of superiors on the integrity of their subordinates should be recorded while assessing the performance of the executives. (Para 3.4.2.4)
16. The Committee suggests that the information regarding (i) annual medical examination, (ii) filing of annual property return, (iii) training programme attended, (iv) additional qualification acquired and (v) awards/honours conferred in respect of officer reported upon should be furnished in the PAR and accordingly provided for the same in the format suggested by the Committee. (3.4.2.5)

CHAPTER 1

Introduction

1.1 Department of Public Enterprises (DPE) had been issuing guidelines on the procedure to be adopted for Annual Performance Appraisal (APR) of top management incumbents of Central Public Sector Enterprises (CPSEs) since 1980 by prescribing suitable formats. These guidelines were reviewed in 2005 and Department of Public Enterprises issued consolidated guidelines for writing APR by prescribed different formats for Board level Executives, Chief Executives of Memorandum of Understanding (MOU) signing CPSEs and Senior below board level executives at the levels of Executive Directors (E9) and General Managers (E8). Subsequently, MOU system has been made applicable all CPSEs, including subsidiaries of CPSEs. Further, the Government have accepted the recommendations of Second Pay Review Committee and issued guidelines to the effect that the executives of CPSEs would, inter alia, be entitled to Performance Related Pay (PRP) albeit with certain conditions. An extract of the recommendations of 2nd PRC on PRP is given at Appendix I. The PRP has inter alia been directly linked, to the individual performance of the executives determined on the basis of their Annual Performance Report (APR). Since lot of changes have taken place both in public sector as well as private sector on human resource management after the issue of earlier guidelines, it was decided that the existing formats as well as the procedure for APR need to be reviewed. Accordingly, Department of Public Enterprises constituted a Committee in June, 2009 under the chairmanship of Joint Secretary, Department of Public Enterprises with members from different administrative Ministries, nodal Department, Public Enterprises Selection Board (PESB) and Standing Conference on Public Enterprises (SCOPE). A copy of the order constituting the Committee is given at Appendix II. The Committee was to submit its report within 3 months of its constitution, which was extended till 31st December 2009.

CHAPTER 2

Methodology and Approach

2.1 The Committee held three meetings in June, 2009, August, 2009 and November, 2009. In its first meeting it was inter alia decided to co-opt the representatives of the Department of Personnel & Training, PESB and Ministry of Steel as members of the Committee. The Committee in its first meeting also decided to request SCOPE to discuss the issue among its member CPSEs and obtain their suggestions for the benefit of the committee. The SCOPE in turn had appointed Mercer India Pvt. Ltd., a leading Human Resource consultant to assist them in this matter. Mercer after discussions with various stakeholders prepared a report for SCOPE on this matter. SCOPE has made available to the Committee the report of Mercer suggesting revised formats and procedure.

2.2 The Committee in its first meeting held in June 2009 considered the existing formats of APR and the Performance Appraisal Report (PAR) format prescribed for All India Services (AIS) Officers. The Committee felt that since the format prescribed for AIS officers had been recently finalized after due diligence and contained all important information, it could be used as template for developing a new format. It was further felt that since the CPSEs are commercial enterprises, the format prescribed for AIS officers cannot be accepted in toto. The Committee after deliberations decided to work on the format prescribed for AIS officers and make changes to suit the unique job requirements of CPSEs.

2.3 The existing procedure for writing APR and the procedures prescribed for writing Performance Appraisal Report (PAR) of All India Services (AIS) officers were considered for developing new procedure. While developing the new formats, the practices being followed in the private sector as made available in the report of the consultant appointed by SCOPE were also considered. The main objectives of clarity, simplicity, uniformity and definite time schedule were also taken into account. The procedure being followed in some of the CPSEs and their views on the subject as brought out by the administrative ministries/departments were also considered.

2.4 Based on the deliberations that took place in the meetings of the committee, DPE prepared draft PAR format as well as draft procedure for writing PAR and circulated the same among the members. These documents were discussed by the members in the meeting of the committee held on 13.11.2009. The Committee, after taking into account further suggestions of the members and the comments received from CPSEs through their administrative ministries, finalized the revised format as well as the procedure and guidelines for writing the PAR.

CHAPTER 3

Details of discussions and recommendations

3.1 The objective of a sound Performance Appraisal system for top management executives of CPSEs is to assess their individual performance, character, conduct and qualities so as to identify and reward good performing executives. The Performance Appraisal should also be used as a tool for career planning and training rather than a mere judgmental exercise. The Performance Appraisal system would work only when the system provides for certain uniform standards and procedures of assessment. The system should also provide for timely assessment of the performance in a transparent manner so as to achieve its objective of strengthening good governance, planning of work, training, promotion and placement of executives and recognition of the performance of executives.

3.2 The existing system of Annual Performance Report has been in vogue since the eighties. The existing guidelines and formats were reviewed on a piece meal basis with the result that there is not much uniformity in the assessment of various categories of top management executives. In the existing formats, the weightage given to the attributes of competency, potential and values of the executives is as high as 50%. Further, some of the attributes sought to be evaluated under competency, potential and values of executives are overlapping. Moreover, the present formats do not provide for furnishing the views of supervisory officers on the integrity of the officer reported upon, information on either mandatory annual medical examination or filing of annual property return. The existing formats further do not provide for recording of the constraints faced by the officer reported upon for not being able to perform the assigned tasks. The Committee felt that this information is essential for objective evaluation of the performance of the concerned executive. Further, when the existing system was introduced, the concept of 'Performance Related Pay' was not in vogue and, therefore, it does not provide for evaluation of the performance of the executives in that context. Though, the existing system provides for overall time limits for completion of the APR exercise, process-wise time limits have not been clearly specified with the result it is not possible to realize the objective of timely completion of the APR exercise. Further, presently there is no mechanism to monitor the timely completion of the Performance Appraisal exercise.

3.3 The Committee considered the existing formats as well as the guidelines issued for writing APR for top management executives of CPSEs. The Committee also considered the objectives of a good Performance Appraisal system and the deficiencies in the existing system as brought out in earlier paragraphs.

3.4 The Committee identified the following issues relating to the procedure and guidelines as well as the formats of the APR. The following paragraphs summarise the discussions and the decisions arrived at after detailed deliberations by the Committee.

3.4.1 Procedure for initiation and completion of the Performance Appraisal exercise

The Committee reviewed the existing procedure and guidelines for initiating and completing the APR exercise with a view to making them simpler and easy to refer. The revised procedure recommended by the Committee is given at Annex I. Some of the salient features of the revised procedure are discussed below:

3.4.1.1 Channel of submission of PAR (Annex I, Para 3, Page 28 – 31)

The Committee has looked into the existing guidelines on the channel of submission of APR. The existing guidelines besides being verbose do not adequately provide for the channel of submission of PAR in case of subsidiary CPSEs and cases where the levels of supervision are less than 3. The Committee felt that there should normally be 3 levels for review of performance viz. Reporting Authority, Reviewing Authority and Accepting Authority so that it is free from bias. The Committee was of the view that the levels of review should be equal to the levels of supervision where there are less than of 3 levels of supervision. Accordingly, the Committee has recommended channel of submission of PAR in a tabular form so that it is clear and unambiguous. Administrative Ministries have, however, been given the liberty to make modification in the prescribed channel with the concurrence of DPE.

3.4.1.2 Stipulation of Time Schedule for initiation and completion of Performance Appraisal exercise (Annex I, Para 4, Page 31 – 32)

One of the lacunae in the existing guidelines is that no specific time schedule for each level of review in the Performance Appraisal exercise has been prescribed. One of the requests received from the representatives of ministries was that the Performance Appraisal exercise should be aligned with the MOU evaluation exercise. The Committee noted that the MOU performance of CPSE is evaluated by the Task Force constituted by DPE and the score as approved by the competent authority would be available only by 31st October as the CPSEs furnish the audited accounts and other relevant information by 30th September 2009. Since MOU performance is one of the important inputs required for assessing the performance of the executives, the self Appraisal by the executives cannot commence before 31st October. The Committee has accordingly prescribed 31st October as the last date for submitting the PAR to the Reviewing Authority by the executive concerned after his self-appraisal.

The Committee also felt that in order to make the PAR system successful, it would be necessary to prescribe detailed time schedule for each and every process of the Performance Appraisal exercise so that the exercise is completed before the completion of one year after the Reporting year. For e.g. the Performance Appraisal exercise for the year 2008-09 should be completed by 31st March 2010. The Committee accordingly recommends the time schedule mentioned in Table No.2 for completion of the Performance Appraisal exercise.

Table No.2 – Time Schedule for different activities of Performance Appraisal exercise

S. No.	Activity	Cut-off Date ¹
i)	Finalization of targets and relative weights by the Reporting Authority in consultation with the officer reported upon and sending a copy thereof to the Nodal officer for record	30 th June

1 Cut-off date will be in the year following the financial year for which PAR is written except for S. No. (i) where the cut-off date mentioned is 30th June of the Reporting year. In case these dates fall on holidays, the cut-off date will be automatically extended to the next working day.

ii)	Nodal officer will circulate one copy of blank PAR form to the officer reported upon specifying the Reporting, Reviewing and Accepting Authorities	30 th September
iii)	Submission of the PAR form after self-appraisal by the officer reported upon to the Reporting Authority under intimation to the Nodal officer	31 st October
iv)	Submission of the PAR form after appraisal by the Reporting Authority to the Reviewing Authority under intimation to the Nodal officer	15 th November
v)	Submission of the PAR form after review by the Reviewing Authority to the Accepting Authority under intimation to the Nodal officer	30 th November
vi)	Furnishing of the PAR form after appraisal by Accepting Authority to the Nodal officer	15 th December
vii)	Disclosure of the PAR to the officer reported upon by the Nodal officer	31 st December
viii)	Submission of representation, if any, by the officer reported upon to the Nodal officer	15 th January
ix (a)	If no representation is received: The PAR as disclosed to the officer reported upon should be treated as final and forwarded to the concerned PAR Repository Authorities by the Nodal officer	31 st January
ix (b)	If representation is received: The Nodal officer shall put up the representation before the Accepting Authority for disposal in consultation with a committee of senior officers, and with the Reporting/Reviewing Authority as may be required.	28 th February
ix (c)	Nodal officer shall make necessary entries in Section VI of the PAR about the final decision of the Accepting Authority on the representation and disclose the same to the officer reported upon	15 th March
ix (d)	Nodal officer will forward the completed PAR to the concerned PAR Repository Authorities and complete the process	31 st March

3.4.1.3 Designation of Nodal Officers for effective monitoring of the Performance Appraisal exercise: (Annex I, Para 5, Page 32)

The Committee is of the view that it would be necessary to monitor the process closely so that everybody involved in the PAR process adheres to the prescribed time schedule and it is completed in time. For the purpose of close monitoring of the Performance Appraisal exercise, the Committee recommends appointment of senior officers of CPSEs as well the administrative ministries/departments as Nodal officers.

3.4.1.4 Adherence to the prescribed time schedule by the Reporting/ Reviewing/Acceptance Authorities:

The Committee noted that very often timely completion of Performance Appraisal exercise is jeopardized due to delay in completion of the PAR by the Reporting/Reviewing Authorities. The

Committee, therefore, felt that suitable system should be introduced to avoid delay in completing the reporting, reviewing and accepting exercise. The Committee considered the instructions issued by Government for the PAR of All India Services Officers and recommended as under:

Where the Reporting Authority fails to submit the PAR to the Reviewing Authority within the stipulated period, provision has been made to the effect that PAR is initiated by the Reviewing Authority. Similarly, provision has also been made for the Accepting Authority to initiate or review the PAR in case of delay in completion of the Performance Appraisal exercise by the Reporting and Reviewing authorities. Further, provision has also been made to the effect that when the PAR of an officer of the CPSE reported upon is either initiated or reviewed by the Accepting Authority due to delay in initiation or review by the concerned authorities, it will not be necessary for him to separately accept such a report.

The Committee has recommended that the Nodal officer should also keep a note of the failure of the Reporting Authority or the Reviewing Authority to submit the PAR of his subordinates in time for making entry in Item No.11 of Section I of their PAR.

3.4.1.5 *Disclosure of the entries recorded in the PAR and disposal of the representation, if any, received from the officer reported upon:*

The Committee noted that the 2nd Administrative Reforms Commission in their 10th Report had recommended that the Performance Appraisal system for all services should be made more consultative and transparent on the lines of PAR of All India Services. The Supreme Court in the case of Dev Dutt Vs Union of India had inter alia observed that the object of writing the confidential report and making entries is to give an opportunity to the public servant to improve his performance. In this context, the Committee felt that there should be a system of disclosure of PAR and grievance redressal similar to the one available for All India Services Officers so as to bring transparency in the system of Performance Appraisal of the executives of CPSEs. The Committee accordingly recommends the following system to bring in transparency in the Performance Appraisal of top management incumbents in CPSEs. The Nodal officer of the CPSE should be responsible for communication of the full Performance Appraisal Report including the overall grade and assessment of integrity to the concerned officer after the Report is completed by 31st December of the year following the year of report.

The concerned officer reported upon should be given the opportunity to make a representation, if any, against the entries and the final grading given in the PAR within a period of fifteen days from the date of receipt of the entries in the PAR. The representation should be restricted to the specific factual observations contained in the report leading to the assessment of the officer in terms of his personal attributes, work output, functional competencies and integrity. A committee of three senior officers should be appointed by the Accepting Authority to advise him on the representation, if any, received from the officer reported upon. The Committee of officers should consider the representation received from the officer reported upon in consultation with the Reporting and/or Reviewing authorities and submit their report to the Accepting Authority. The Accepting Authority should decide the matter objectively based on the material placed before him within a period of 45 days from the date of receipt of the representation from the officer reported upon. The Accepting Authority after due consideration may reject the representation or may accept and modify the PAR accordingly. The Nodal officer should communicate the decision of the Accepting Authority and the final grading to the officer reported upon within fifteen days of its receipt.

3.4.1.6 Maintenance of PARs by the Nodal officers

The committee looked into the existing guidelines for maintenance of the APR with a view to further streamline the system. The Committee accordingly recommends that the completed PARs in original of all Chief Executives and Functional Directors of CPSEs should be retained in the Administrative Ministry by the concerned Nodal officer. A certified copy each of the PAR of these incumbents should be kept in the concerned CPSE by the Nodal officer and the Public Enterprises Selection Board (PESB). In respect of Executive Directors, General Managers and their equivalents, the PARs in original should be retained in the concerned CPSE by the Nodal officer. PESB, being the nodal authority responsible for selection of Board level executives in CPSEs, should maintain the PARs of all Board level executives of CPSEs so as to facilitate them in carrying out their task of selection of Board level executives in CPSEs and, for this purpose, it may develop an online database system for maintaining the soft copy of PAR of all board level executives of CPSEs with provision for limited access to the Nodal officers of CPSEs/administrative Ministry/Department. The Nodal officers would upload the PAR of the board level executives in the PESB website by the stipulated date.

3.4.1.7 Oversight of Performance Appraisal exercise by Department of Public Enterprises

The Committee feels that DPE, being the nodal department for CPSEs, should monitor the timely completion of Performance Appraisal exercise in respect of top management incumbents in CPSEs. To start with, DPE may monitor the completion of Performance Appraisal exercise in respect of Board level executives. For this purpose, by 30th April of every year, PESB may send a report to DPE giving the status of completion of Performance Appraisal exercise in respect of all Board level executives. Based on the report of PESB, DPE can take up the issue of incomplete or delayed PARs with concerned administrative Ministries/Departments for expediting the completion of the Performance Appraisal exercise.

3.4.2 PAR format

3.4.2.1 What should be the weightage for MOU targets of the CPSE, other MOU cascaded individual targets and the personal attributes and functional competencies of the individual executive?

At present, the weightage for MOU score is 75% in the case of Chief Executives of CPSEs and 25% in the case of other Board level executives and senior below board level executives. The Committee felt that the weightage for MOU should not be same for both Functional Directors and below Board level executives as their role and functions are different. The Committee after discussions decided to recommend weightage for MOU performance in the PAR of Chief executives, Functional Directors and Executive Directors/General Managers at 75%, 40% and 25% respectively. Since, the Functional Directors are responsible for achieving the targets related to their assigned tasks also, it is necessary that the targets relating to their tasks flowing from the overall MOU targets should also have significant weightage. In view of the above, the Committee decided to recommend a weightage of 35% for Functional Directors towards individual targets flowing from MOU targets. Similarly for senior below board level executives, this weightage has been suggested at 50%.

Presently, the APR provides for weightage of 50% for attributes relating to competency, potential and values of the all executives except Chief Executives. The Committee was of the view that the Performance Appraisal of individual executives should be more focused on their demonstrated performance rather than potentials or capabilities. The Committee also felt that the existing parameters for judging competencies, potentials and values are too many and also overlapping. The Committee therefore recommends rationalization of these attributes with uniform weightage of 25% for all executives, including Chief Executives.

The current and proposed weightage for MOU targets, individual targets and personal attributes and functional competencies for all the 3 levels of top management incumbents of CPSEs are indicated in Table No.3 given below:

Table No.3 - Components of PAR and their relative weights

Designation	Weightage							
	MOU targets		Individual targets flowing from MOU targets		Personal attributes and functional competencies		Total	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
Chief Executives	75	75	-	-	25	25	100	100
Functional Directors	25	40	25	35	50	25	100	100
Executive Directors (E9) & General Managers (E8)	25	25	25	50	50	25	100	100

3.4.2.2 Whether there should be different formats for different level of executives?

The Committee noted that at present there are 3 formats of APR - one each for Chief Executives of MOU signing CPSEs, other Board level executives and senior below board level executives. The Committee also noted that as per the latest guidelines of DPE, all CPSEs including subsidiaries are required to sign MOUs which are evaluated by the Task Force. The Committee noted that but for the scope of the work, the tasks of all three top levels of executives in CPSEs were comparable. In view of the above, the Committee felt that there should be one common format for Chief Executives, Functional Directors, Executive Directors (E9) and General Managers (E8).

3.4.2.3 Furnishing of information on the exceptional achievements made and constraints faced by the officer reported upon in the PAR:

The Committee was of the view that in order to objectively assess the performance of the executives, it would be essential to have information in the PAR about the constraints, if any, faced by the executives while making efforts to achieve the targets and also the details of exceptional work performed by the executive. The Committee, therefore, recommends furnishing of the information on these two aspects in the suggested PAR format.

3.4.2.4 Furnishing of information on the integrity of the executive reported upon in the PAR:

The Committee further noted that there is no provision to mention about the integrity of the executives in the existing APR. The Committee feels that the top level management incumbents are expected to comply with the code of conduct prescribed by their Board. Further, it is an

important attribute for the overall performance of the executives who are dealing with commercial transactions. The Committee, therefore, recommends that the views of superiors on the integrity of their subordinates should be recorded while assessing the performance of the executives. Accordingly, the Committee has provided for a separate item for the 'Integrity' in Section III of the PAR.

3.4.2.5 *Furnishing of information on Training undergone and training required, awards and honours conferred, acquiring of additional qualification, timely filing of annual property return and annual medical examination in the PAR:*

The Committee noted that the present APR format does not provide for information on the training undergone, awards/honours conferred, training required for upgrading one's competency, acquiring of additional qualification, filing of annual property return and health status certified by a qualified medical officer in respect of the officer reported upon.

- Periodical training to top management incumbents in CPSEs is essential for their career growth and to plan for such training, background information is required by the human resource department. Accordingly, the Committee recommends that specific information about the training programmes attended and the training needs of top management incumbents would need to be provided for in the PAR forms.
- Similarly the information on awards/honours conferred and the additional qualifications acquired are essential to objectively assess the performance as well as the potential of the concerned executives.
- Timely filing of annual property returns is an important activity which needs to be monitored. This will also enable the CPSEs to keep a watch over the financial standing of the top executives.
- The Committee also felt that there is need for executives above 40 years of age to undergo mandatory medical examination as it will help the CPSE to take timely remedial measures for improving the health of its top management executives who are susceptible to stress and strain. It is also suggested that a copy of the summary of the medical report should be attached with the PAR.

The Committee therefore suggests that the information on all the aforesaid matter should be furnished in the PAR and accordingly included the same in the suggested format.

3.4.2.6 *Benchmarking the performance:*

While assessing the performance of the top management executives of CPSEs with regard to their work output, personal attributes and functional competencies, numerical grades are to be awarded by the Reporting/Reviewing Authorities. As already mentioned, MOU performance of the CPSE is one of the critical parameters included in the PAR format. The MOU evaluation is made on the basis of 5 point scale of 1-5, where 1.00 refers to Excellent and 5.00 refers to Poor. The Committee, therefore, recommends that same scale may be adopted for assessing the performance of the top management executives of CPSEs. The overall grade will be based on the addition of the weighted mean value of each group of indicators. The overall grade obtained by the executive shall be benchmarked, as is being done in the case of MOU evaluation. The details of Benchmarking of the performance of top executives of CPSEs are mentioned in Table No.4 below:

Table No.4 – Details of Benchmarking of the performance of the top executives of CPSEs

Benchmarking details	Grade
Outstanding	1.00 – 1.50
Very Good	1.51 – 2.50
Good	2.51 – 3.50
Fair	3.51 – 4.50
Poor	4.51 – 5.00

3.4.2.7 Format of Revised PAR

The revised PAR format for Chief Executives and other top executives of CPSEs prepared on the above lines is given at Annex II. The Committee recommends adoption of this PAR format for the top management incumbents of CPSEs by the Government. The Committee further recommends that PAR Form, guidelines and procedure suggested in this report should be treated as Core elements of the Performance Management System in all CPSEs. The committee also recommends that in order to accommodate existing robust performance management practices, and future requirements unique to some CPSEs, the Boards of CPSEs may be given the liberty to supplement the contents in the form, under intimation to DPE without losing any of its proposed features.

CHAPTER 4

Acknowledgement

4.1 The Committee gratefully acknowledges the cooperation extended to by SCOPE in commissioning a study by Mercer Consulting India Pvt. Ltd., on review of the existing APR formats and processes and making their report available to the Committee. This has helped the Committee in crystallizing its recommendations.

(Vivek Kumar)
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Joint Secretary
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**Extract from Report of 2nd Pay Revision Committee regarding
Performance Related Pay**

Variable Pay/Performance Related Pay (PRP): The Committee recommends that Variable Pay or Performance Related Pay (PRP) be made an integral part of the compensation package and should progressively become major component of the executive compensation. The PRP should be directly linked to the profits of the CPSE/unit and performance of the executives. The percentage ceiling of PRP, progressively increasing from junior level to senior level executives, expressed as percentage of pay are indicated in Table 6.8 below.

Table 6.8 PRP as Percentage of Basic Pay

Grade	A+, A, B Categories	C & D Categories
E0 to E1	40	40
E2 to E3	40	40
E4 to E5	50	50
E6 to E7	60	60
E8 to E9	70	70
E10	100	-
Director	150	100
CMD	200	150

- i.** If the CPSE achieves ‘Excellent’ MOU rating, the PRP can be paid at 100% eligibility levels as outlined above. If the enterprise is rated ‘Very Good’, the eligibility should be scaled down to 80%. In respect of ‘Good’ and ‘Fair’ ratings, the eligibility levels could be brought down to 60% and 40% respectively. If the CPSE is rated ‘Poor’, there will be no eligibility for PRP irrespective of the profitability of the CPSE.
- ii.** The system of PRP must have an in-built mechanism for continuous improvement of the profitability. Towards this end, the Committee recommends the following method of computing the allocable profits for PRP payments.
- iii.** As the name suggests this Performance pay would be based on physical and financial performance and will come out of profits of the company. 60% of the Performance Pay, as recommended, will be given with a ceiling of 3% of PBT and 40% of PRP will come from 10% of incremental profit. Incremental profit is the increase in profit as compared to previous year’s profit. The total PRP, however, will be limited to 5 % of the years PBT, exclusively for the Executives. Performance Pay for the year will be calculated latest by December of the following year based on the company’s performance as per

audited accounts. The proposed PRP scheme is recommended for implementation from the financial year 2007-2008. Since it will be the first year of introduction of PRP scheme, there will be no incremental profit and amount available for PRP for the executives will be 3% of PBT of 2007-08. For the purpose of calculating the incremental profit, the starting year would be 2007-08. The variable pay component coming from incremental profit for the first time will be after knowing the result of company's performance for the year 2008-09. Therefore, this portion of PRP will be payable w.e.f. 2009-10.

- iv. The methodology proposed can be illustrated by the following example:
If a CPSE records Rs. 100 Cr. PBT in an year, the amount available for PRP will be Rs. 3 Cr. Further, if the PBT signifies an increase of Rs. 70 Cr over PBT of the previous year (i.e. Previous year's profit was only 30 Cr.), there will be an additional amount of Rs.7 Cr (10% of 70 Cr) available for PRP making a total of Rs. 10 cr. However, in view of the cap of 5% of the PBT, amount available for PRP to the executives will be restricted to only Rs. 5 Cr for the year, instead of 10 Cr.
- v. For deciding individual levels of PRP, the methodology could be finalized by the CPSE concerned, after putting in position a rational and transparent Performance Management System at the enterprise level, unit level and the individual level as found appropriate by the respective CPSEs. Balanced score cards have to be introduced to all executives to determine the eligibility of PRP for each executive.
- vi. **Memorandum of Understanding:** The Committee recommends that all CPSEs must be required to sign the MOU with the parent department / Ministry, and the MOU rating will form the basis of PRP with all the Key Result Areas identified in the MOU. The CPSEs that do not enter into MOUs will not be eligible for PRP.
- vii. **Performance Management System:** Since PRP to individuals and Groups will be based on performance against Key Result Areas, the Committee recommends that all CPSEs should develop a robust and transparent PMS system. CPSEs should adopt "Bell curve approach" in grading the officers so that not more than 10% to 15% executives are Outstanding / Excellent. Similarly 10% of executives should be graded as below par.
- viii. **Remuneration Committee:** The Committee recommends that all Enterprises should have professional Boards with independent Directors. All the CPSEs should constitute a Remuneration Committee headed by an Independent Director. The Enterprise will not be eligible for PRP unless the independent Directors are on their Boards.

No. 5(1)/2000-GM
Government of India
Ministry of Heavy Industries and Public Enterprises
Department of Public Enterprises

Public Enterprises Bhavan,
Block 14, CGO Complex,
Lodi Road, New Delhi-110003.

Dated the 3rd June, 2009

OFFICE MEMORANDUM

This is regarding the Annual Performance of top management incumbents of Central Public Sector Enterprises (CPSEs). This Department had issued detailed guidelines in this regard on 18.10.2005 prescribing the formats and procedure for writing APRs of Chief Executives, Directors and other executives upto two stages below the Board level of CPSEs.

2. Over the time, significant changes have taken place in human resource field and also all CPSEs have been brought under the purview of MOU system. Further, as a part of revision of salary of executives, the Government has recently introduced the system of performance related payments (PRP), which is directly linked to the APR system in CPSEs as well as MOU ratings of CPSEs.

3. Accordingly, it has been decided to constitute a Committee to review the existing APR formats as well as the procedure for writing APR and to suggest new formats/procedure for consideration of the Government. The composition of the Committee will be as under:-

- | | | | |
|-------|---|---|----------|
| (i) | Shri Rakesh Sarwal, Joint Secretary,
Department of Public Enterprises | - | Chairman |
| (ii) | Representatives from Ministry of Petroleum & Natural Gas,
Ministry of Railways, Ministry of Coal & Ministry of Power | - | Members |
| (iii) | Additional Director General/Director (Programmes), Standing
Conference on Public Enterprises | - | Member |
| (iv) | Director (Management), Department of Public Enterprises | - | Convenor |

4. The Committee shall submit its report within a period of 3 months.

5. The Committee will co-opt concerned officials of administrative Ministries/ CPSEs as may be required for smooth completion of the task.

(G. Ramachandran)
Director
Tel: 24363066

1. Secretaries of the following administrative Ministries/Departments – with the request to nominate suitable representative(s) to the above Committee:-
 - (i) Ministry of Petroleum & Natural Gas (Shri R.S. Pandey, Secretary), Shastri Bhawan, New Delhi
 - (ii) Railway Board (Shri S. Khurana, Chairman), Rail Bhawan, New Delhi
 - (iii) Ministry of Coal (Shri C. Balakrishnan, Secretary), Shastri Bhawan, New Delhi
 - (iv) Ministry of Power (Shri Harishankar Brahma, Secretary), Shram Shakti Bhawan, New Delhi
2. Standing Conference on Public Enterprises (Additional Director General), SCOPE Complex, Lodhi Road, New Delhi.
3. PS to Secretary (PE)
4. PS to Joint Secretary (S), DPE

Existing guidelines on Annual Performance Report

Annual Performance Appraisal of Top Management Incumbents of Public Enterprises - procedure regarding

- | | |
|--|--|
| <ol style="list-style-type: none">1. BPE DO No.4 (13)/79-BPE (GM-II/US (G) dated 28.4.19802. BPE DO No.5/11/82-GM-II dated 21.1.19833. BPE OM No.5/11/82-GM dated 8.2.19854. BPE DO No.17/24/84-GM dated 25.4.19855. BPE OM No.5 (3)/85-GM dated 27.4.19876. BPE OM No.16 (28)/88-GM dated 9.6.19897. DPE DO No. 9(12)/94-DPE (MOU) Dated 11.9.19958. DPE OM No. 5(1)/95-GM dated 26.8.2002 | <p>The undersigned is directed to refer to the marginally noted DO/OMs on the subject mentioned above and to state that these instructions have been reviewed on the basis of the recommendations made by the guidelines review committee and it has now been decided to issue consolidated guidelines as under.</p> |
|--|--|

1.1 The Annual Performance Appraisal (APR) formats prescribed under BPE DO No. 5(11)/82-GM-II dated 21st January, 1983 for all top and senior level managers who do not belong to any organized services of the Central or State Governments, will now be replaced by two formats (enclosed as Annexure I and II), one for Chief Executives of non-MOU signing PSEs and Directors on the Board of all PSEs and the other for Executives upto two stages below the Board level in PSEs. These formats will be applicable for the year 2006-07 onwards. The format prescribed under DO dated 11.9.1995 for writing CRs of Chief Executives of MOU-signing PSEs will remain unchanged (Annexure-III).

1.2 The Annual Confidential Reports (ACRs) of Government officers, including Chief Vigilance Officers, on deputation to posts in PSEs will be written in the formats prescribed by the respective cadre authority and the procedure for writing the ACRs will be as prescribed by that authority.

2. Procedure for initiation, review and countersigning of APRs for executives of PSEs including CVOs

(i) In the case of full-time Chairman or full-time Chairman-cum-Managing Director, the Secretary of the administrative Ministry/Department may initiate the confidential report, which should also contain the observations of the Minister-in-charge.

(ii) In the case of Managing Director of a single-unit enterprise, confidential report should be initiated by the Part-time/Full-time Chairman, reviewed by the Secretary of the administrative Ministry and then submitted to the Minister-in-charge for his observations.

(iii) In the case of multi-unit enterprises where a number of Managing Directors are working under a common Chairman/ Chairman-cum-Managing Director, the confidential reports of the Managing Directors of the subsidiaries/units should be initiated by the Chairman/Chairman-cum-Managing Director of the holding company before it is sent for review by the Secretary of the administrative Ministry and observations of the Minister in-charge.

(iv) Confidential reports of full-time Functional Directors should be initiated by the Managing Director if there is one and reviewed by the part-time/full-time Chairman and then sent for countersignature of the Secretary of the administrative Ministry and observations, if any, of the Minister.

(v) In case there is no separate post of Managing Director, the part-time/full-time Chairman or Chairman-cum-Managing Director will initiate the confidential reports of Functional Directors and then send them for review by the Secretary of the administrative Ministry and observations, if any, of the Minister.

(vi) In case of General Managers and other officers of equivalent level the confidential reports should be written normally by the Functional Directors under whom they work and reviewed by the Managing Director/Chairman-cum-Managing Director. In case there are separate posts of Managing Director and part-time or full-time Chairman the report can be reviewed by the Managing Director and countersigned by the Chairman.

(vii) In cases where the General Managers and officers of equivalent level work directly under the Managing Director, their report should be initiated by the Managing Director and reviewed by the part time/full-time Chairman. In cases where such officers work directly under the Chairman/Chairman-cum-Managing Director their reports should be initiated by the Chairman/CMD

(viii) The Annual Confidential Reports of the Chief Vigilance Officers of Schedule 'A' and 'B' companies will be initiated by the CMDs and reviewed by the Secretary of the administrative Ministry concerned. Where there are separate incumbents holding the posts of MD and Chairman, the officer to initiate the CVO's ACR will be designated by administrative Ministry/Department. Review of ACRs will be done by the Secretary of the administrative Ministry/ Department.

(ix) The Reporting Officer should have at least 3 months experience of the work and conduct of the officer reported upon before writing an assessment of the work of an officer and if the period of observation happens to be less than 3 months, this fact only needs to be indicated in the report. However, when there is no Reporting Officer having the requisite experience of 3 months or more during the period of report, the Reviewing Officer himself may initiate the report as Reporting Officer provided the Reviewing Officer has been the same for the entire period of the report and he is in a position to fill in the columns to be filled in by the Reporting Officer. Needless to say, the period of the report should be at least 3 months. Where a report is thus initiated by the Reviewing Officer, it will be reviewed by the officer above the Reviewing Officer.

(x) When the Reporting Officer retires or otherwise demits office, he may be allowed to give his report on his subordinates within a month of his retirement or demission of office. However, a reviewing authority cannot review the CR after his retirement. Thus, while the grace period of one month is available to the Reporting Officer, no such period is prescribed for the Reviewing Officer.

3. Maintenance of APRs.

The reports of all Chief Executives may be written in duplicate with – one copy to be retained by the administrative Ministry. In respect of others down to the level of General Managers and their equivalents the reporting/reviewing and countersigning remarks should be recorded in duplicate – the original to be retained in the public enterprise concerned and the duplicate to be retained in the administrative Ministry.

4. Time for submission of APRs

A systematic, objective and regular Performance Appraisal system requires that all confidential reports are written immediately after the end of the relevant year. For the sake of uniformity it may be ensured that the confidential reports of all top and senior level managers are written, reviewed and counter-signed within 45 days of the expiry of each Financial Year so that the duplicate copies of the reports are received by the administrative Ministry by 20th May of each year.

5. Remarks against the column of “Integrity”

There is a need to follow a uniform procedure in respect of remarks to be noted against the column of “Integrity” in APRs. In case there is any doubt about the integrity of an employee, the column in the APR form should be left blank and a secret note may be recorded and followed up. This is for the reason that if as a result of follow up action, the doubts are cleared, the employee’s integrity should be certified and if the doubts are confirmed, this should be recorded in the APR and communicated to the employee. This procedure for writing the remarks against integrity column should be clarified in a note appended to the APR form so that the officer writing the APR form is aware of the procedure in this regard.

6. Communication of adverse entries recorded in APRs

(i) All adverse entries recorded in the APR of an officer should be communicated within one month by the Reviewing Officer after they have been seen by the countersigning authority, if any. The communication should be in writing and a record to that effect should be kept in the Confidential Roll of the officer. Where there is no Reviewing Officer, the adverse entry should be communicated by the Reporting Officer likewise.

(ii) While communicating the adverse remarks to the officer concerned, the identity of the superior officer making such remarks should not be disclosed. Further, the gist of favourable entries may also be communicated. It, however, needs to be ensured that the remarks are communicated in such a form that the identity of the officer making particular remarks is not disclosed.

(iii) Regarding representations received against the adverse entries from the concerned officers, these should normally be made within six weeks of the date of communication of

adverse remarks. While communicating the adverse remarks to the officers concerned, the time limit as stated above may be brought to their notice. The competent authority may at his discretion entertain the representation made beyond the time specified above, if there is satisfactory explanation for the delay. All representations against adverse entries should be decided expeditiously by the competent authority and in any case not later than six weeks from the date of submission of the representation. All representations against adverse remarks need to be examined by an authority superior to the reviewing officer, in consultation, if necessary, with the reporting and the reviewing officers. For instance, in case there is any representation against the adverse remarks from the General Manager or above in an enterprise, this could be considered at the level of the Chief Executive and at the level of Secretary of the administrative Ministry and the Minister Incharge, in the case of functional Directors/Chief Executives.

7. All the administrative Ministries/Departments are requested to note the above decisions and also to issue suitable instructions to the public sector enterprises under their administrative control in this regard.

(DPE O.M. No. 5(1)/2000-GM-GL-71 dated 18th October, 2005)

No. 5(1)/2000-GM
Government of India
Ministry of Heavy Industries and Public Enterprises
Department of Public Enterprises

Public Enterprises Bhavan,
Block 14, CGO Complex,
Lodi Road, New Delhi-110003.

Dated the 28th May, 2009

OFFICE MEMORANDUM

Subject: Maintenance and preparation of Annual Performance Appraisal Reports – communication of all entries for fairness and transparency in public administration

The undersigned is directed to refer this Department's O.M. of even no. dated 18th October, 2005 regarding Performance Appraisal of top management incumbents of CPSEs, wherein it has been, inter alia, provided that all adverse entries recorded in the Annual Performance Appraisal (APR) of an officer should be communicated to the concerned officer (para 6 of DPE O.M. dated 18.10.2005)

2. The issue of communication of entries in the APR has been considered by Supreme Court in the case of Shri Dev Dutt Vs. Union of India (Civil Appeal No.7631 of 2002). In their judgement dated 12.5.2008, the Supreme Court has observed that "when the entry is communicated to him the public servant should have a right to make a representation against the entry to the concerned authority, and the concerned authority must decide the representation in a fair manner and within a reasonable period. We also hold that the representation must be decided by an authority higher than the one who gave the entry, otherwise the likelihood is that the representation will be summarily rejected without adequate consideration as it would be an appeal from Caesar to Caesar. All this would be conducive to fairness and transparency in public administration, and would result in fairness to public servants. The State must be a model employer, and must act fairly towards its employees. Only then would good governance be possible." It has been further mentioned in the judgement that the above directions will, inter alia, be applicable to the employees of Public Sector Corporations.

3. In compliance of the above referred judgement of Supreme Court, the Government has issued instructions to the effect that full Annual Performance Appraisal Report (APAR) including the overall grade shall be communicated to the concerned officer. It has also been provided that the concerned officer shall be given the opportunity to make any representation against the entries and final grading given in the report. A copy of the O.M. dated 14.5.2009 issued by Department of Personnel & Training in this regard is enclosed.

4. Keeping in view the directions of the Supreme Court and the decision of the Government to make the Performance Appraisal system more consultative and transparent, it has been decided that the above instructions issued by DOPT shall be made applicable for CPSEs also. Para 6 of the DPE O.M. dated 18.10.2005 will deem to have been amended to that extent.

5. All Administrative Ministries/Departments are, therefore, requested to take note of the contents of the DOPT O.M. dated 14.5.2009 and ensure all CPSEs under their respective administrative control comply with the provisions of the afore-mentioned O.M. issued by DOPT.

(G Ramachandran)
Director
Tel: 2436-3066

Encl: As above

Secretaries of all Administrative Ministries/Departments (by name)

Copy to:-

- (i) Chief Executives of Central Public Sector Enterprises.
- (ii) Secretary, Central Vigilance Commission, Satarkata Bhawan, GPO Complex, Block-A, INA, New Delhi-110023.
- (iii) PESB (Dr. P.S. Behuria, Secretary), CGO Complex, New Delhi
- (iv) DOPT (Shri C.A. Subramanian, Director), North Block, New Delhi

(G Ramachandran)
Director

Copy of Department of Personnel & Training OM No.210011/1/2005-Estt (A) (Pt.II) dated 14.5.2009 addressed to all Ministries/Departments of Government of India

Subject: Maintenance and preparation of Annual Performance Appraisal Reports-communication of all entries for fairness and transparency in public Administration.

The undersigned is directed to invite the attention of the Ministries/Departments to the existing provisions in regard to preparation and maintenance of Annual Confidential Reports which inter-alia provide that only adverse remarks should be communicated to the officer reported upon for representation, if any. The Supreme Court has held in their judgement dated 12.5.2008 in the case of Dev Dutt vs Union of India (Civil appeal No.7631 of 2002) that the object of writing the confidential report and making entries is to give an opportunity to the public servant to improve the performance. The 2nd Administrative Reforms Commission in their 10th Report has also recommended that the Performance Appraisal system for all services be made more consultative and transparent on the lines of the PAR of the All India Services.

2. Keeping in view the above position, the matter regarding communication of entries in the ACRs in the case of civil services under the Government of India has been further reviewed and the undersigned is directed to convey the following decisions of the Government:-

- (i) The existing nomenclature of the Annual Confidential Report will be modified as Annual Performance Assessment Report (APAR).
- (ii) The full APAR including the overall grade and assessment of integrity shall be communicated to the concerned officer after the Report is complete with the remarks of the Reviewing Officer and the Accepting Authority wherever such system is in vogue. Where Government servant has only one supervisory level above him as in the case of personal staff attached to officers, such communication shall be made after the reporting officer has completed the performance assessment.
- (iii) The section entrusted with the maintenance of APARs after its receipt shall disclose the same to the officer reported upon.
- (iv) The concerned officer shall be given the opportunity to make any representation against the entries and the final grading given in the Report within a period of fifteen days from the date of receipt of the entries in the APAR. The representation shall be restricted to the specific factual observations contained in the report leading to assessment of the officer in terms of attributes, work output etc. While communicating the entries, it shall be made clear that in case no representation is received within the fifteen days, it shall be deemed that he/she has no representation to make. If the concerned APAR Section does not receive any information from the concerned officer on or before fifteen days from the date of disclosure, the APAR will be treated as final.
- (v) The new system of communicating the entries in the APAR shall be made applicable prospectively only with effect from the reporting period 2008-09 which is to be initiated after 1st April, 2009.

- (vi) The competent authority for considering adverse remarks under the existing instructions may consider the representation, if necessary, in consultation with the reporting and/or reviewing officer and shall decide the matter objectively based on the material placed before him within a period of thirty days from the date of receipt or the representation.
- (vii) The competent authority after due consideration may reject the representation or may accept and modify the APAR accordingly. The decision of the competent authority and the final grading shall be communicated to the officer reported upon within fifteen days or receipt of the decision of the competent authority by the concerned APAR Section.

Procedure and guidelines for writing Performance Appraisal Report of Chief Executives, Functional Directors, Executive Directors (E9) and General Managers (E8) of Central Public Sector Enterprises (CPSEs)

1. Definitions:

- a) **Accepting Authority:** Accepting Authority is the authority, which supervises the performance of Reviewing Authority and Reporting Authority and is responsible for the actions of the officer reported upon.
- b) **Board level Executives:** Board level executives include the Chief Executive and the Functional Directors of the CPSE.
- c) **Chief Executive:** Chief Executive of the CPSE means the head of the CPSE having substantial powers called by whatever name including Executive Chairman, Chairman and Managing Director and Managing Director.
- d) **Nodal officer:** Nodal officer refers to a senior officer nominated as such by the CPSE or the Administrative Ministry/Department concerned to coordinate the activities relating to Performance Appraisal exercise for its smooth completion
- e) **PAR Repository Authorities:** PAR Repository Authorities are those authorities that have been designated by the CPSE, Administrative Ministry/Department and Public Enterprises Selection Board (PESB) to keep the PARs of the top management incumbents of CPSEs in their custody.
- f) **Reporting Authority:** Reporting Authority is the authority, which supervises the performance of the officer reported upon.
- g) **Reporting year:** The reporting year of the PAR is the financial year i.e. from 1st April to 31st March.
- h) **Reviewing Authority:** Reviewing Authority is the authority, which supervises the performance of the Reporting Authority and supervises the work of the officer reported upon through the Reporting Authority.
- i) **Top Management incumbents:** Top management incumbents include Chief Executives, Functional Directors, Executive Directors (E9) and General Managers (E8) of Central Public Sector Enterprises (CPSEs).

2. Applicability

These procedures are applicable to all Board level executives and Executive Directors (E9) and General Managers (E8) and other equivalent officers of CPSEs. The Performance Appraisal Reports (PARs) of Government officers on deputation to posts in CPSEs will be written in the formats prescribed by their respective Cadre Authorities and the procedure for

writing the same will also be as prescribed by those Authorities. The PARs of Chief Vigilance Officers will be written based on the instructions issued by Department of Personnel & Training. Further, unless otherwise specified, the term ‘he’ mentioned in these guidelines includes ‘she’ also.

3. Authorities for initiation, review and acceptance of PARs for Top management incumbents of CPSEs

3.1 Table No.1 below specifies the Reporting Authority, Reviewing Authority and Accepting Authorities in respect of Performance Appraisal Report (PAR) of the Chief Executives, Functional Directors, Executive Directors (E9) and General Managers (E8) of CPSEs.

Table No.1 – Channel of submission of PAR

S. No.	Name of the officer whose PAR is to be written	Reporting Authority	Reviewing Authority	Accepting Authority	PAR Repository Authorities	
I	Holding Companies					
i)	Executive Chairman	Secretary of the AM/D ¹	Minister-in-charge	Minister-in-charge	Original copy with the AM/D and one certified copy each with the Nodal officer of the CPSE and PESB	
ii)	CMD ²	Secretary of the AM/D	Minister-in-charge	Minister-in-charge	-do-	
iii)	MD ³	Executive Chairman	Secretary of the AM/D	Minister-in-charge	-do-	
		Secretary of the AM/D	Minister-in-charge			
iv)	Functional Director	Executive Chairman	Secretary of the AM/D	Minister-in-charge	-do-	
		CMD	Secretary of the AM/D	Minister-in-charge		
		MD	Executive Chairman	Secretary of the AM/D		Minister-in-charge
			Secretary of the AM/D	Minister-in-charge		Minister-in-charge
v)	ED ¹ and other officers of equivalent posts (E9)					

¹ AM/D – Administrative Ministry/Department

² CMD – Chairman & Managing Director of the CPSE

³ MD – Managing Director of the CPSE

a	In case the officer directly reports to Functional Director	Functional Director	Executive Chairman	Executive Chairman	Original copy with the Nodal officer of the CPSE.
			CMD	CMD	
			MD	Executive Chairman or MD	
b	In case the officer directly reports to Executive Chairman	Executive Chairman	Executive Chairman	Executive Chairman	
c	In case the officer directly reports to CMD	CMD	CMD	CMD	
d	In case the officer directly reports to MD	MD	Executive Chairman	Executive Chairman	
			MD	MD	
vi)	GM ² and other officers of equivalent posts (E8)				
a	In case the officer directly reports to ED	ED	Functional Director	Executive Chairman or CMD or MD	Original Copy with the Nodal officer of the CPSE.
			Executive Chairman or CMD	Executive Chairman or CMD	
			MD	Executive Chairman or MD	
b	In case the officer directly reports to Executive Chairman	Executive Chairman	Executive Chairman	Executive Chairman	
c	In case the officer directly reports to CMD	CMD	CMD	CMD	
d	In case the officer directly reports to MD	MD	Executive Chairman	Executive Chairman	
			MD	MD	
e	In case the officer directly	Functional Director	Executive Chairman	Executive Chairman	

¹ ED – Executive Director in CPSE

² GM – General Manager in CPSE

	reports to Functional Director		CMD	CMD	
			MD	Executive Chairman or MD	
II	Subsidiary Companies				
i)	CMD	CMD or Executive Chairman of Holding Company	Secretary of the AM/D	Minister-in-charge	Original Copy with AM/D and one certified copy each with the Nodal officer of the CPSE and PESB
		MD of Holding Company	Executive Chairman of Holding Company or Secretary of the AM/D	Secretary of the AM/D or Minister-in-charge	
ii)	MD	Executive Chairman/ CMD of Holding Company	Secretary of the AM/D	Minister -in-charge	-do-
		MD of Holding Company	Executive Chairman of Holding Company or Secretary of the AM/D	Secretary of the AM/D or Minister-in-charge	
iii)	Functional Director	CMD/MD of subsidiary company	Executive Chairman or CMD of Holding Company	Secretary of the AM/D	-do-
			MD of Holding Company	Executive Chairman of Holding Company or Secretary of the AM/D	
iv)	GM and other officers of equivalent posts (E8)				
a	In case the officer directly reports to Functional Director	Functional Director	CMD	CMD	Original Copy with the Nodal officer of the CPSE
			MD	Executive Chairman or MD	

b	In case the officer directly reports to CMD	CMD	CMD	CMD	
c	In case the officer directly reports to MD	MD	Executive Chairman	Executive Chairman	
			MD	MD	

3.2 Notwithstanding the channel of Reporting, Reviewing and Acceptance mentioned in para 3.1 above, the administrative Ministry/Department may, in consultation with Department of Public Enterprises, adopt a different channel of submission of PAR on case by case for valid reasons.

4. Schedule of commencement and completion of PARs:

4.1 Table No.2 given below indicates the schedule of commencement and completion of Performance Appraisal exercise which should be strictly followed:-

Table No.2 - Schedule of commencement and completion of PARs

S. No.	Activity	Cut-off Date ¹
i)	Finalization of targets and relative weights by the Reporting Authority in consultation with the officer reported upon and sending a copy thereof to the Nodal officer for record	30 th June
ii)	Nodal Officer will circulate one copy of blank PAR form to the officer reported upon specifying the Reporting, Reviewing and Accepting Authorities	30 th September
iii)	Submission of the PAR form after self-appraisal by the officer reported upon to the Reporting Authority under intimation to the Nodal officer	31 st October
iv)	Submission of the PAR form after appraisal by the Reporting Authority to the Reviewing Authority under intimation to the Nodal officer	15 th November
v)	Submission of the PAR form after review by the Reviewing Authority to the Accepting Authority under intimation to the Nodal officer	30 th November
vi)	Furnishing of the PAR form after appraisal by Accepting Authority to the Nodal officer	15 th December
vii)	Disclosure of the PAR to the officer reported upon by the Nodal officer	31 st December
viii)	Submission of representation, if any, by the officer reported upon to the Nodal officer	15 th January

1 Cut-off date will be in the year following the financial year for which PAR is written except for S. No. (i) where the cut-off date mentioned is 30th June of the Reporting year. In case these dates fall on holidays, the cut-off date will be automatically extended to the next working day.

ix (a)	<u>If no representation is received:</u> The PAR as disclosed to the officer reported upon should be treated as final and forwarded to the concerned PAR Repository Authorities by the Nodal officer	31 st January
ix (b)	<u>If representation is received:</u> The Nodal officer shall put up the representation before the Accepting Authority for disposal in consultation with a committee of senior officers and with the Reporting/Reviewing Authority as may be required.	28 th February
ix (c)	Nodal officer shall make necessary entries in Section VI of the PAR about the final decision of the Accepting Authority on the representation and disclose the same to the officer reported upon	15 th March
ix (d)	Nodal officer will forward the completed PAR in original to the concerned PAR Repository Authorities and complete the process	31 st March

5. Nomination of Nodal officer by CPSE/Administrative Ministry/Department

5.1 The Nodal officers nominated by the CPSE and the concerned administrative Ministry/Department should ensure that only one copy of the PAR form in respect of the Chief Executives, Functional Directors, Executive Directors and General Managers is circulated and filled up. They should also ensure that the PARs are duly completed as per the schedule given in para 4.1 and copies (hard as well as digital) of the PAR are made and certified by them. The Nodal officer should send the certified copies of the PAR to the concerned PAR Repository Authorities within the prescribed time. The Nodal officers for the Board level and below Board level executives are indicated in Table No.3 given below:

Table No.3 - Nodal officers for the Board level and below Board level executives

Particulars of Post	Nodal officer
<u>Board level Executives</u> Chief Executives and Functional Directors	Joint Secretary looking after administration in the concerned administrative Ministry/Department
<u>Below Board level Executives (E9 & E8)</u> Executive Directors and General Managers	A senior officer of CPSE looking after the Human Resource/Personnel/ Administration Deptt. so designated by the concerned CPSE

6. Procedure for initiation, review and acceptance of PARs

6.1 Commencement of Performance Appraisal exercise: The performance appraisal should commence with the fixation of targets. The deliverables as well as relative weights in respect of each assigned tasks will be decided by the Reporting Authority after consulting the officer reported upon within two months from the start of the period of report. For example, for the year 2009-10, this work should be completed by 31st May, 2009. A copy of the approved targets as well as their relative weights should be sent to the Nodal officer by 30th June of the year of report by the Reporting Authority for record.

6.2 Nodal officer: The Nodal Officer shall, by 30th September of the year following the Reporting year, circulate one copy of PAR form after filling Section I to the officer reported upon specifying the Reporting, Reviewing and Accepting Authorities. The Nodal officers shall closely monitor the process of initiation and completion of PAR so that the remarks of the Reporting, Reviewing and Accepting Authorities are recorded without fail by the dates indicated in the schedule given in Para 4.1. In case the officer was on leave, training, ex-cadre foreign assignment for more than a year, the Nodal officer will record a certificate to the effect that no PAR is required to be written in respect of that officer for that period. Such a period shall be called ‘No Report Period’ and accordingly no PAR would be necessary for such period.

6.3 Officer reported upon: The officer reported upon shall forward his self-appraisal to the Reporting Authority before 31st October of the following year under intimation to the Nodal officer and keep a record of the same as evidence that he had submitted the same in time i.e. by 31st October.

6.4 Reporting Authority: The Reporting Authority should record his comments in the PAR and send it to the Reviewing Authority within the stipulated time i.e. by 15th November under intimation to the Nodal officer. When the Reporting Authority retires or otherwise demits office, he may be allowed to give his report on his subordinates within a month of his retirement or demission of office. The Reporting Authority should have at least 3 months experience of the work and conduct of the officer reported upon before writing an assessment of the work of that officer. However, when there is no Reporting Authority having the requisite experience of 3 months or more during the period of report, the Nodal officer should indicate this in Section III of the PAR.

6.5 Reviewing Authority: The Reviewing Authority should record his comments on the PAR of his subordinates forwarded to him by the Reporting Authority and send it to the Accepting Authority by 30th November under intimation to the Nodal officer. The Reviewing Authority can review the PAR of his subordinates within one month after his retirement or demission of his office.

6.6 Accepting Authority: The Accepting Authority shall within the timeframe specified in para 4.1, record his remarks on the PAR and forward it to the Nodal officer. Where the Accepting Authority has not seen the performance of the officer reported upon for at least three months during the period for which the PAR has been written, it will not be necessary for the Accepting Authority to accept any such report and an entry to this effect shall be made in the Performance Appraisal report by the Nodal officer. The Accepting Authority shall not accept any PAR after one month of his retirement from service or demitting office. Further, it is incumbent on the Accepting Authority to see whether the overall grade given to the officer by the Reporting/Reviewing Authority correspond with the pen picture given by them and in case they are different, he/she should harmonise them by suitably changing the overall grade.

6.7 Action plan to avoid delay in completion of the PAR process: In case the Reporting Authority fails to submit the PAR to the Reviewing Authority within the stipulated period i.e. by 15th November, the Nodal officer shall immediately obtain a copy of the self-appraisal from the officer reported upon and send it directly to the Reviewing Authority and authorize him to initiate the PAR. The Nodal officer shall also keep a note of the failure of the Reporting Authority to submit the PAR of his subordinate in time for making entry in Item No.11 of

Section I of the PAR of such Reporting Authorities. In case either the Reviewing Authority or both the Reporting Authority and Reviewing Authority fail(s) to submit the PAR to the Accepting Authority within the stipulated period i.e. by 30th November, the Nodal officer shall immediately obtain a copy of the PAR of the officer reported upon with self appraisal and appraisal of the Reporting Authority, if available and send them directly to the Accepting Authority and request him to either review or 'initiate and review' the PAR, as the case may be. The Nodal officer shall also keep a note of the failure of the Reporting or/and Reviewing Authority, as the case may be, to submit the PAR of his/their subordinates in time for an appropriate entry in Item No.11 of Section I of the PAR of such Reviewing/Reporting Authorities. When the PAR of an officer of the CPSE reported upon is initiated by the Accepting Authority due to delay in initiation and review by the concerned authorities, it will not be necessary for him to review and accept such report. Similarly, when the PAR of an officer of the CPSE reported upon is reviewed by the Accepting Authority due to delay in review by the Reviewing Authority, it will not be necessary for him to accept such report.

6.8 Comments on the integrity of the officer reported upon: The Reporting Authority is required to comment on the integrity of the officer reported upon. In recording remarks with regard to integrity, he/she need not limit him/herself only to matters relating to financial integrity but would also take into account any violation, by the concerned officer, of the code of conduct laid down by the Board of the CPSE or expected of him. The following procedure should be followed in filling up Column 8 relating to integrity: (i) If the Officer's integrity is beyond doubt, it may be stated; (ii) If there is any doubt or suspicion, a separate secret note should be recorded and sent to the Reviewing Authority after recording this fact in the column relating to integrity. (iii) Where it is not possible either to certify the integrity or to record secret note, the Reporting Authority should state that he/she has not received anything against the officer. The Reviewing Authority will ensure that the follow up action is taken expeditiously.

6.9 The Reviewing Authority will ensure that the follow up action is taken expeditiously on the secret note if any submitted by the Reporting Authority. If, as a result of the follow up action, the doubts or suspicions are cleared, the integrity of the officer reported upon should be certified and an entry made accordingly by the Reviewing Authority in the Performance Appraisal Report. If the doubts or suspicions are confirmed, this fact should also be recorded by the Reviewing Authority. If as a result of the follow up action, the doubts or suspicions are neither cleared nor confirmed, the officer's conduct should be watched for a further period of one year and the outcome should be recorded in the Performance Appraisal Report by the Reviewing Authority. The Nodal officer shall communicate the final decision on the integrity of the officer reported upon to the officer concerned as well as the Reporting Authority.

7. Disclosure of the entries recorded in the PAR and disposal of the representation, if any, received from the officer reported upon

7.1 Once the PAR is completed, the Nodal officer shall be responsible for communicating the full Performance Appraisal Report including the overall grade and assessment of integrity, to the concerned officer by 31st December of the year following the year of report.

7.2 The concerned officer reported upon shall be given an opportunity to make a representation, if any, within a period of fifteen days from the date of receipt of the PAR against the entries and the final grading given in the PAR. While communicating the entries, it should be made clear that in case no representation is received within fifteen days, it shall be deemed

that he/she has no representation to make. If the Nodal officer does not receive any representation from the concerned officer reported upon, on or before fifteen days from the date of disclosure, the PAR will be treated as final. The representation shall be restricted to specific, factual observations contained in the report on the assessment of the achievements against targets, personal attributes, functional competencies and integrity. A committee of three senior officers will be appointed by the Accepting Authority to advise him on the representation, if any, received from the officer reported upon. The Committee of officers will consider the representation received from the officer reported upon in consultation with the Reporting and/or Reviewing Authorities and submit their report to the Accepting Authority. The Accepting Authority shall decide the matter objectively based on the material placed before him within a period of 45 days from the date of receipt of the representation from the officer reported upon. The Accepting Authority after due consideration shall pass a self-contained, speaking order on the issue at hand. He may reject the representation or may accept and modify the PAR accordingly. The Nodal officer shall communicate to the officer reported upon, Reporting and Reviewing Authorities, the decision of the Accepting Authority and the final grading within fifteen days of its receipt and shall keep a record thereof in Section VI of PAR form.

8. Maintenance of PARs

The completed PARs in original of all Chief Executives and Functional Directors of CPSEs shall be retained in the Administrative Ministry and a certified copy of the PAR shall be kept in the concerned CPSE and PESB. The completed PARs in original of all Executive Directors (E9), General Managers (E8) and their equivalent executives of CPSEs shall be retained in the concerned CPSE. Maintenance of a copy of PAR of all Board level executives will facilitate Public Enterprises Selection Board (PESB) in its task of selection of Board level executives in CPSEs.

9. Oversight of Performance Appraisal exercise by Department of Public Enterprises (DPE)

By 30th April of every year, PESB will share with DPE the status of completion of Performance Appraisal exercise in respect of all Board level executives for the year which is two years prior to the year of sharing of status report. Based on the report of PESB, DPE will take up the issue of incomplete or delayed PARs with the administrative Ministries/ Departments for expediting the completion of the Performance Appraisal exercise.

FORM

**PERFORMANCE APPRAISAL REPORT OF THE CHIEF EXECUTIVES,
FUNCTIONAL DIRECTORS, EXECUTIVE DIRECTORS (E9) AND GENERAL
MANAGERS (E8) OF CENTRAL PUBLIC SECTOR ENTERPRISES (CPSEs)**

For the year/period from ----- to -----

Each and every section of this form should be filled in by the concerned officer/authority after carefully reading the instructions attached to this form.

Section I - Basic information

(To be filled in by the Human Resource/Personnel/Administration Department of the CPSE)

<p>Recent Photograph of the officer reported upon to be affixed</p>
--

Personal Data of the officer reported upon

1. Name of the Officer reported upon: _____
2. Employee Number: _____
3. Date of Birth: _____
4. Brief Academic & Professional Qualifications :

5. (a) Name of the Post held: _____
- (b) Grade of Post held: _____
- (c) Date of Continuous Appointment in this Post: _____
- (d) Present Pay and Scale of Pay: _____
- (e) Date of continuous Appointment in the same enterprise: _____

6. (a) Date of First Public Enterprise Appointment: _____
(b) Scale of Pay of the Post on First Appointment: _____

7. Reporting, Reviewing and Accepting Authorities during the year

	Name & Designation	Period worked	
		from	to
Reporting Authority			
Reviewing Authority			
Accepting Authority			

8. Period of absence on leave, etc. during the year

	Period	Type	Remarks
On Leave other than Casual Leave			
Others (specify)			

9. Qualification acquired and Training programmes attended during the year:

(a) Details of Qualification acquired during the year

S. No.	Details of Qualification	Institution from which studied	Details of subjects studied and the marks obtained

(b) Details of Training programme attended during the year

Date from	Date to	Institute	Subject

10. Awards/Honours received during the year

--

11. Number of officers for whom PAR was not written by the officer reported upon as Reporting/Reviewing Authority for the previous year

--

12. Date of filing the property return in the prescribed format for the year ending 31st December, _____.

--

- 13. Date of last prescribed medical examination (for officers over 40 years of age). Please attach a copy of the summary of the medical report. (Suggested format of detailed and summary of the medical examination report is at Appendix I)**

**Signature:
Name & Designation of the officer of the
Human Resource/Personnel/Administration Department**

Date:

Section II – Self-appraisal of the officer reported upon

1. Brief description of responsibilities:

(Objectives of the position you hold and the responsibilities you are required to discharge, in about 100 words)

2. Annual work plan and achievement:

Tasks to be performed	Weightage	Deliverables¹	Achievement²
I - MOU Targets	* ³	-	* ⁴
II - Other key assigned tasks flowing from MOU			
i)			
ii)			
iii)			
iv)			
v)			
vi)			
vii)			
viii)			
ix)			
x)			
Total (i to x)	* ⁵		
III – Grand Total	75		

1. Deliverables refer to quantitative or financial targets or verbal description of expected outputs. The deliverables and the weights for individual key assigned tasks will be decided by the Reporting Authority after consulting the officer reported upon within two months from the start of the period of report. The Reporting Authority shall send a copy of the details of the finally agreed key assigned tasks and their relative weights targets to the Nodal officer by 30th June.
2. Actual achievements refer to the achievements against the specified deliverables in respect of each task. No explanations for divergences are to be given in this table.
3. The weightage for MoU targets is 75 for Chief Executives, 40 for Functional Directors and 25 for Executive Directors/General Managers.
4. The final MoU score based on audited accounts conveyed by DPE should be filled in this space.
5. The total weightage for other assigned tasks flowing from MoU is nil for Chief Executives, 35 for Functional Director and 50 for Executive Directors/General Managers.

- 3. During the period under report, do you believe that you have made any exceptional contribution, e.g. successful completion of an extraordinarily challenging task or major systemic improvement (resulting in significant benefits to the Company and/or reduction in time and costs)? If so, please give a verbal description (within 100 words):**

--

- 4. What are the constraints that hindered your performance?**

--

- 5. Please indicate specific areas of training that will add value to you:**

For the current assignment:
For your future career:

Note:

Chief Executives and Functional Directors should send their updated CV, including additional qualifications acquired, training programmes attended, publications/special assignments undertaken to the Nodal officer of the CPSE as well as the Nodal officer of the Administrative Ministry once in 5 years so that updated records are available with them. However, the Executive Directors and General Managers should send such information once in 5 years to the nodal officer of the CPSE only.

6. Declaration

Have you filed your immovable property return in the prescribed format as due? If yes, please mention the date.	Yes/No	
Have you undergone the suggested medical check up?	Yes/No	
Have you set the annual work plan for all officers for the current year, in respect of whom you are the Reporting Authority?	Yes/No	

Signature of the officer reported upon

Date:

Section III - Appraisal of the Reporting Authority (Please read the relevant instructions attached to this form before filling up this section)

- 1. Please state whether you agree with the responses relating to the accomplishments of the work plan as filled out in Section II. If not, please furnish factual details.**

- 2. Please comment on the claim (if any) made by the officer reported upon about his exceptional contribution.**

- 3. Has the officer reported upon met with any significant shortfall in achieving the targets? If yes, please furnish factual details.**

- 4. Do you agree with the constraints mentioned by the officer reported upon that had hindered his performance and, if so, to what extent?**

- 5. Do you agree with the competency up-gradation needs as identified by the officer?**

6. **Assessment of the achievements made against the targets.** *(This assessment should rate the officer vis-à-vis his peers and not the general population. Grades should be assigned on a scale of 1-5, in maximum of 2 decimal numbers, with 1.00 referring to the best grade and 5.00 to the lowest grade. Weightage to this Section will be 75%).*

Particulars	Weightage	Reporting Authority		Reviewing Authority		Initials of Reviewing Authority
		Absolute grade	Weighted grade	Absolute grade	Weighted grade	
	(a)	(b)	(c = a x b)	(d)	(e = a x d)	
I - MOU Targets	* ¹	* ²				
II - Other key assigned tasks						
i)						
ii)						
iii)						
iv)						
v)						
vi)						
vii)						
viii)						
ix)						
x)						
Total (i to x)	* ³	-		-		
III – Grand Total II & III	75	-		-		
Overall Grade = Grand Total/100	-	-		-		

Weighted grade is to be computed by multiplying the absolute grade by the relative weights. Overall grading is to be computed by summing up the weighted grade and dividing the total by 100 and rounding off to 2 decimals.

1. *The weightage for MoU targets will be 75 for Chief Executives, 40 for Functional Directors and 25 for Executive Directors/General Managers.*
2. *The final MoU score based on audited accounts conveyed by DPE should be filled in this space.*
3. *The weightage for other key assigned targets will be nil for Chief Executives, 35 for Functional Directors and 50 for Executive Directors/General Managers.*

7. Assessment of Personal Attributes and Functional Competencies (*Grades should be assigned on a scale of 1-5, in maximum of 2 decimal numbers, with 1.00 referring to the best grade and 5.00 to the lowest grade. Weightage to this Section will be 25%*)

S. No.	Particulars of Personal Attributes and Functional Competencies	Grade by Reporting Authority	Grade by Reviewing Authority	Initials of Reviewing Authority
i	Effective communication skills			
ii	Strategic orientation and Decision making ability			
iii	Problem solving and Analytical ability			
iv	Ability to develop and motivate team members			
v	Ability to coordinate and develop collaborative partnerships			
vi	Innovation and change orientation			
vii	Planning and Organising			
viii	Result orientation			
ix	Business Acumen			
x	Role based functional competency			
	Total (i to x)			
	Overall Grading of Personal Attributes and Functional competencies (Total/40)			

All the personal attributes and functional competencies (S. No. i to x) carry equal weights. Overall grading is to be computed by dividing the total grade by 40 and rounding off to 2 decimals.

8. Integrity (Please comment on the integrity of the officer reported upon by choosing any one of the following options):

i)	Beyond doubt	
ii)	Integrity of the officer is doubtful. A separate secret note is attached.	
iii)	Nothing adverse has been received about the officer	

9. **Pen picture by Reporting Officer. Please comment (in about 100 words) on the overall qualities of the officer including areas of strengths and those which need improvements. The pen picture should be consistent with the overall grade furnished in Item no. 10.**

10. **Overall grade (on a grade of 1 - 5) based on the grades awarded in Item no. 6 & 7. This should be computed by summing up the weighted average grade indicated in Item no. 6 and Item no. 7.**

**Signature of Reporting Authority
Name & Designation of the Reporting Authority**

Date:

Section IV – Review by the Reviewing Authority (Please read the relevant instructions attached to this form before filling up this section)

1. Do you agree with the assessment made by the Reporting officer with respect to discharge of responsibilities and various attributes of the officer reported upon in Section III? (In case you agree with the assessments made by the Reporting Authority, please make a note to that effect in the space provided for you in Item No. 6 and 7 of Section III and initial it. If you do not agree with any of the numerical assessments made by the Reporting Authority, please record your assessments in the space provided for you in Item No.6 and 7 of Section III and initial your entries).

Yes/No

2. Do you agree with the assessment of the Reporting officer in respect of extraordinary achievements and/or significant shortfalls of the officer reported upon?

Yes / No

3. In case of difference of opinion, details and reasons for the same may be given.

4. Comments, if any, on the pen picture written by the Reporting Authority.

5. Overall grade on a scale of 1 – 5 (*Grades should be assigned on a scale of 1-5, with 1 referring to the best grade and 5 to the lowest grade). The overall grade should be computed by summing up the weighted average grade obtained in Item No.6 and 7 of Section III.*)

Signature of Reviewing Authority _____
Name & Designation of the Reviewing Authority

Date:

Section V – Acceptance by the Accepting Authority (Please read the relevant instructions attached to this form before filling up this section)

1. **Is the overall grade given by the Reporting/Reviewing Authority is consistent with the pen picture given by them?**

Yes/No

2. **Do you agree with the remarks of the Reporting /Reviewing Authorities?**

Yes/No

3. **In case of difference of opinion, details thereof and reasons for the same may be given.**

4. **Overall grade on a grade of 1 – 5** (*Grades should be assigned on a scale of 1-5, with 1 referring to the best grade and 5 to the lowest grade*).

**Signature of Accepting Authority
Name & Designation of the Accepting Authority**

Date:

Section VI – Review by the Acceptance Authority in the light of the representation received from the officer reported upon

1. **Whether the Accepting Authority considers any merit for revising the overall grade given earlier to the officer reported upon in the light of the representation made by him/her?**

Yes/No

2. **If Yes, please indicate the revised overall grade on a grade of 1 – 5 (*Grades should be assigned on a scale of 1-5, with 1 referring to the best grade and 5 to the lowest grade*).**

**Signature of the Nodal officer
Name & Designation of the Nodal officer**

Date:

Note:

The concerned Nodal officer shall fill this section based on the orders passed by the Accepting Authority. Copies of the representation made by the officer reported upon and the orders of the Accepting Authority thereon are to be attached.

SUGGESTED PROFORMA FOR HEALTH CHECK UP OF TOP MANAGEMENT OF CPSEs

Date:

Name:

Age:

Sex: M/F

Employee No.:

Name of the Post held:

Brief clinical history, if any:

A: Examination

Physical

Systemic

Investigations:

Haemogram

Hb%

TLC

DLC

Peripheral Smear

Blood Sugar

F

P.P

Lipid Profile

Total Cholesterol

HDL Cholesterol

LDL Cholesterol

VLDL Cholesterol

Triglyceride

Liver Function Test

Total Bilirubin

Direct Bilirubin

Indirect Bilirubin

SGOT

SGPT

ALK Phosphatase

Kidney function Test

Urea

Creatinine

Uric Acid

Electrolytes

Na+

K

Calcium

Inorganic Phosphates

Cardiac Profile

CPK
CK-MB
LDH
SGOT

Urine

Routine
Sugar
Albumin

Microscopic

E.C.G.

X-Ray

Ultra Sound Abdomen

Any other Investigation

Advice

B. Medical Report of the Officer

1.	Haemoglobin level of the officer	Normal/Low
2.	Blood Sugar level	Satisfactory/Normal/High/Low
3.	Cholesterol level of the officer	Normal/High/Low
4.	Liver functioning	Satisfactory/Normal/Dysfunctional
5.	Kidney status	Normal/Both-One Kidney not functional optimally
6.	Cardiac Status	Normal/Enlarged/Blocked/Not normal

C. Summary of Medical Report

1.	Overall Health of the officer	
2.	Any other remarks based on the health check up of the officer	
3.	Health profile grading	

Designation

Date:

Instructions for filling up the Performance Appraisal Report (PAR) of the Chief Executives, Functional Directors, Executive Directors (E9) and General Managers (E8) of Central Public Sector Enterprises (CPSEs)

1. Introduction

The Performance Appraisal Report is an important document. It provides the basic and vital inputs for further development of an officer. The officer reported upon, the Reporting Authority, Reviewing Authority and the Accepting Authority should, therefore, undertake the duty of filling up the form with a high sense of responsibility.

Performance Appraisal should be used as a tool for career planning and training, rather than a mere judgmental exercise. Reporting Authorities should realize that the objective is to develop an officer so that he/she realizes his true potential. It is not meant to be a fault-finding process but a developmental tool. The Reporting Authority, the Reviewing Authority and the Accepting Authority should not shy away from reporting shortcomings in performance, attitudes or overall personality of the officer reported upon. The columns should be filled with due care and attention and after devoting adequate time. Any attempt to fill the report in a casual or superficial manner will be easily discernible to the higher authorities.

Performance appraisal is expected to be used as a tool for human resource development, career planning and training rather than a mere judgemental exercise. Thus the Reporting Authority and the officer reported upon should meet at the beginning of the year to set targets and goals of performance.

2. Section I – Basic information

This Section should be filled up in by the Nodal officer or the Human Resource/Personnel/Administration Department of the CPSE. Period of report could be either the entire reporting year, namely, from 1st of April to 31st March or a part of the year (exceeding 3 months). In case the period of report is a full year, it should be indicated accordingly; for example, 2009-2010. In case the period of report is less than the entire year, specific start and end dates should be indicated, for example, 10th September 2009 to 31st March 2010.

Item No.1: Name of the officer reported upon should be written in capital letters

Item No.8: The period of absence from duty, on leave other than casual leave, training, or for other reasons should be mentioned in this section.

Item No.12: The date of filing the annual property return in the prescribed format is to be mentioned.

Item No.13: This Section provides for annual medical examination of the officer reported upon from an approved medical institution. The health check up is, however, mandatory for all officers above the age of 40. The officer concerned should get his medical examination completed by 30th June every year at a medical institution designated by the concerned CPSE. A suggested format for the medical report is appended to the PAR form. CPSEs may, however, prescribe a separate form provided it includes all the details specified in the form suggested by the Committee. A copy of the summary of the medical report of the officer reported upon is to be

attached to the Performance Appraisal Report Form by the Nodal officer or the Human Resource/Personnel/Administration Department of the CPSE before circulating the same to the concerned officer for completing self-appraisal.

3. Section II – Self-appraisal of the officer reported upon

Item No.1: The officer reported upon is first required to give a brief description of his responsibilities, which would normally not exceed about 100 words. Ideally, this should be in bullet form.

Item No.2: In this section, the officer reported upon is required to furnish the details of targets and achievements unless revised by the new Reporting officer. While the targets for the Chief Executive will be only MOU targets; for others, the targets will be both MOU targets as well as other assigned tasks flowing from MOU targets. All officers are required to develop a work plan for the year and agree upon the same with the Reporting officer. The work plan should incorporate the work related to the area of functioning of the concerned officer and it should emanate from the MOU targets/goals. The work plan would normally consist of quantifiable targets. The exercise is to be carried out at the beginning of the year and finalized by 31st May, positively. The work plans, duly signed by the officer reported upon and the Reporting Authority has to be submitted by 30th June to the nodal officer for record.

After the work plan is prepared, it is possible that the officer reported upon is transferred out. There need not be more than one work plan for one post each year. In case of a change of the Reporting officer during the year, the work plan agreed with the previous Reporting officer would continue to apply unless revised by the new Reporting officer. The contribution of the officer reported upon during the period spent by the officer on the post could be considered for evaluating his performance against the work plan.

Item No.3: This section provides an opportunity for the officer to reflect upon his performance during the year and indicate one item in which he/she had made significant contribution during the year. It is always possible for any officer to make significant contribution even in activities otherwise regarded as routine in nature.

Item No.5: The officer reported upon is required to indicate specific areas in which he/she feels the need to upgrade competencies and attend training programmes. He/she should also mention the specific steps that he/she has taken or proposes to take to upgrade his/her competencies in the identified area.

4. Section III – Appraisal of the Reporting Authority

Item No.1: The Reporting Authority is required to comment on the self-appraisal made by the officer reported upon in Section II, and specifically state whether he/she agrees with the responses relating to accomplishments. In case of disagreement, the Reporting Authority should highlight the specific portions with which he/she is unable to agree to and the reasons for such disagreement.

Item No.6: In this Section, the Reporting Authority is required to record a numerical grade (not more than 2 decimals) in respect of the work output of the officer reported upon against each of the key assigned tasks.

Item No.7: In this section, the Reporting Authority is also required to record a numerical grade (not more than 2 decimals) in respect of personal attributes and functional competencies of the officer reported upon. To ensure that the personal attributes and functional competencies are clearly understood by all stakeholders of the PAR process, the descriptions of each of them are given in Table No.1 below:

Table No.1 – Description of Personal Attributes and Functional Competencies

S. No.	Personal Attributes and Functional Competencies	Description of Personal Attributes and Functional Competencies
i)	Effective communication skills	Communicates articulately and assertively to influence critical stakeholders and strives to achieve a win-win solution.
ii)	Strategic orientation and Decision making ability	Demonstrates comprehensive business and environment awareness including related laws and rules; develops/aligns self and team to the long term business strategy and overall organizational vision. Considers multiple factors while taking decisions for long term organization impact.
iii)	Problem solving and Analytical ability	Analyzing and solving a problem by identifying the elements and relationships of a problem in a systematic way and identifying logical links.
iv)	Ability to develop and motivate team members	Provides direction and support, encourages team work, inspires and motivates team and manages conflict to accomplish group objectives while focusing on capability enhancement of the team
v)	Ability to coordinate and develop collaborative partnerships	Builds collaborative partnerships with internal and external stakeholders and leverages relations through networking to meet organizational objectives.
vi)	Innovation and change orientation	Takes initiative; manages and champions change and learning processes; encourages new and innovative approaches.
vii)	Planning and Organising	Ability to plan and organize own as well as team activities, prioritize and handle contingencies to meet set goals and objectives within defined timelines.
viii)	Result orientation	Demonstrates drive for results and ensures that operating practices and performance results adhere to high standards of efficiency and excellence
ix)	Business Acumen	Understands the tie between and revenue and expenses; utilizes financial data and information to make sound business decisions that promote cost consciousness, profitability, revenue and growth.
x)	Role based functional competency	Demonstrates knowledge of rules and laws, systems and processes, functional domain and IT applications in order to carry out the assigned role with conviction

In order to bring in more objectivity in the assessment of the attributes and competencies and minimize bias, benchmarking for assigning grades to various Personal Attributes and Functional Competencies are indicated in the Table No.2 given below:-

Table No. 2 – Benchmarking for assigning grades to Personal Attributes and Functional Competencies

Grade	Description of the benchmark	Details of Behaviour competencies
1	Consistently exceeds expectations	Demonstrates exemplary behaviours, consistently in all situations far above that are required for effectiveness in the current role. Demonstrates outstanding professional attributes, which indicates strong potential for rapid future development.
2	Consistently meets expectations	Consistently demonstrates behaviours which surpass those required for effectiveness in current role. Demonstrates professional skills that indicate strong potential for future advancement.
3	Meets expectations most of the times	Regularly demonstrates behaviours at the level required for effectiveness in current role. Displays the required level of proficiency for this competency, exceeding expectations at times.
4	Partially meets expectations	Inconsistently or partially demonstrates behaviours required for effectiveness in current role; however significant progress is required to achieve the expected proficiency level for this competency.
5	Consistently does not meet expectations	Does not sufficiently demonstrate behaviours required for effectiveness in current role and immediate improvement is needed to achieve the required proficiency level for this competency.

Item No.8: In this section, the Reporting Authority is required to comment on the integrity of the officer reported upon. In recording remarks on integrity, he/she need not limit him/herself only to matters relating to financial integrity but would also take into account any violation, by the concerned officer, of the code of conduct laid down by the Board of the CPSE. The following procedure should be followed in filling up column relating to integrity: (i) If the Officer's integrity is beyond doubt, it may be stated; (ii) If there is any doubt or suspicion, a separate secret note should be recorded and sent to the Reviewing Authority after recording this fact in the column relating to integrity. (iii) Where it is not possible either to certify the integrity or to record secret note, the Reporting Authority should state that he/she has not received anything against the officer reported upon.

The Reviewing Authority will ensure that the follow up action on the secret note submitted by the Reporting Authority is taken expeditiously. If, as a result of the follow up action, the doubts or suspicions are cleared, the integrity of the officer reported upon should be certified and an entry made accordingly by the Reviewing Authority in the Performance Appraisal Report. If the doubts or suspicions are confirmed, this fact should also be recorded by the Reviewing Authority in the PAR. If as a result of the follow up action, the doubts or suspicions are neither cleared nor confirmed, the officer's conduct should be watched for a further period of one year and the outcome should be recorded in the Performance Appraisal Report by the Reviewing Authority.

The Nodal officer shall communicate the final decision on the integrity of the officer reported upon to the officer concerned as well as the Reporting Authority.

Item No.9: The Reporting Authority is also required to record a descriptive pen-picture on the overall qualities of the officer reported upon and his performance and this should be consistent with the numerical grade given to the officer. This should try to cover overall qualities of the officer, including areas of strengths. The pen-picture is also meant to be a qualitative supplement to the quantitative assessments made in earlier part of this section.

Item No.10: Finally, the Reporting Authority is required to record an overall grade. This should also be done on a scale of 1-5, with 1 referring to the best grade and 5 to the lowest. This should be computed by adding the weighted average grade indicated in Item no. 6 & 7.

5. Section IV – Review by the Reviewing Authority

Item No.1: This Section is to be filled up by the Reviewing Authority. He/she is required to indicate whether he/she agrees with the assessments made by the Reporting officer. In case of disagreement, he/she may record his own assessment about the work output and/or any of the attributes in the column specifically provided for the purpose in Item No.6 and/or Item No.7 of Section III. The numerical grades should not be given in more than 2 decimals.

Item No.3: In case of disagreement with the assessment made by the Reporting Authority, the Reviewing Authority should record the details of disagreement and the reasons for the same in this section.

Item No.4: In this section, the Reviewing Authority should comment on the pen picture written by the Reporting Authority.

Item No.5: Finally, the Reviewing Authority is required to record in this section an overall grade in the scale of 1-5 with 1 referring to the best grade and 5 to the lowest. This should be computed by adding the weighted average grade indicated in Item no. 6 & 7 of Section III.

6. Section V – Acceptance by the Accepting Authority

Item No.1: This Section is to be filled by the Accepting Authority. He/she is required to indicate whether he/she agrees with the assessments made by the Reporting Authority/Reviewing Authority.

Item No.2: In case of difference of opinion, the Accepting Authority is required to give details and reasons for the same in this section.

Item No.3: Finally, the Accepting Authority is required to record in this section an overall grade in not more than two decimals in the scale of 1-5 with 1.00 referring to the best grade and 5.00 to the lowest. In case the overall grade given to the officer reported upon by the Reporting/Reviewing Authority is not consistent with the pen picture given by them, the Accepting Authority should make suitable changes to the overall grade to make them consistent.

7. Section VI: Review of the overall grade by the Acceptance Authority

In this section, the Nodal officer will fill in the form, the final decision of the Acceptance Authority on the representation, if any, made by the officer reported upon.

8. Numerical Grades

At several places, numerical grades are to be awarded by Reporting/Reviewing Authorities. It is expected that any grading of 4.00 or 5.00 (against work output or personal attributes and functional competencies or overall grade) would be adequately justified in the pen-picture by way of specific failures and similarly, any grade of 1.00 or 2.00 would be justified with respect to specific accomplishments. In awarding a numerical grade, the Reporting, Reviewing and Accepting Authorities should rate the officer against a larger population of his peers that may be currently working under them or would have worked under them in the past.

9. Weightage & Mean:

Weights have been assigned to work output, personal attributes and functional competencies. The overall grade in not more than 2 decimals will be based on the addition of the weighted mean value of each group of indicators.

10. Benchmarking of the Grade:

The overall grade obtained by the officer shall be benchmarked as under:

Outstanding	1.00 - 1.50
Very Good	1.51 - 2.50
Good	2.51 - 3.50
Fair	3.51 - 4.50
Poor	4.51 - 5.00

Proforma for Annual Property Return

Name of the Officer:

Employee No.:

Name of the post held:

S.NO.	Description of Property	Precise location (Name of Distt., Division, Taluk & village in which the property is situated and also its distinctive number, etc.	Area of land (in case of land and building)	Nature of land (in case of landed property, etc)	Extent of interest	If not in own name, state in whose name held, his her relationship, if any, to the Governments servant	Date of acquisition	How acquired (whether by purchase, mortgage, lease in heritage, gifted or otherwise) and name with details person(s) from whom acquired addresses and connection of the Govt. servant, if any, with the person(s) concerned (Please see not I below)	Value of property (see note 2 below)	Particular of sanction of prescribed authority, if any	Total annual income from the property	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13