

F. No. 2(68)/11-DPE (WC)
Government of India
Ministry of Heavy Industries and Public Enterprises
Department of Public Enterprises

Block No.14, CGO Complex,
Lodi Road, New Delhi-110003
Dated the 31st December, 2012

OFFICE MEMORANDUM

Subject: Payment of Performance-related pay (PRP) to executives of Central Public Sector Enterprises (CPSEs)

The undersigned is directed to refer to Ministry of Housing & Urban Poverty Alleviation O.M. No 1-14020/1/2011-HR dated 7th September, 2011 and subsequent reminders on the subject mentioned above.

2. There are laid down guidelines providing for timely completion of the process of recording of Annual Performance Appraisal Reports (APARs) of executives of CPSEs and therefore all attempts should be made to finalize the APAR ratings of individual executives by following the laid down process as APAR ratings determine the payment of PRP. In the absence of APAR ratings, it would not be possible to pay PRP in terms of extant guidelines.

3. This Department has considered the issues raised by the Ministry of Housing & Urban Poverty Alleviation regarding (i) procedure to be followed in the matter of payment of PRP to executives of CPSEs, where no APARs were recorded, and (ii) payment of PRP to an executive, who served a CPSE for a period less than three months in a particular financial year and when no APAR has been recorded for that period. This Department is of the view that exceptions to the position brought out in para 2 above could be allowed only in cases where APAR process could not be completed due to the following reasons:-

- a) Demission of office and/or retirement of officer reported upon before the initiation of APAR.
- b) Demission of office and/or retirement of reviewing/accepting authority before writing the APAR of the officers reported upon.
- c) Non-recording/non-availability of APAR for the concerned period including the cases where the period of recording APAR is less than 3 months.

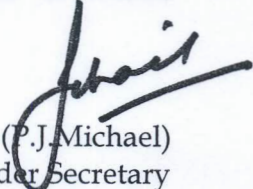
However, there could be other reasons also for non-availability of APAR and a considered view in such case(s) would be taken by DPE if such situations are brought to the notice of DPE by the concerned administrative Ministry/Department.

4. It is clarified that in case APAR rating of a Board level executive of a CPSE is not available for the relevant period for the reasons brought in para 3 above, APAR rating of the concerned Board level executive may be considered as one grade lower than the MOU rating of the concerned CPSE for the relevant financial year for the purpose of payment of PRP.

5. The payment of PRP to the concerned Board level executive(s) may be formalized as per laid down procedure for the consideration and approval by the Remuneration Committee of the concerned CPSE.

6. It is further clarified that above dispensation would not cover the case where APAR could not be completed because of the delay on the part of the executive being reported upon (in submission of self-assessment, etc.).

7. This has the approval of Minister of Heavy Industries & Public Enterprises.



(P.J. Michael)
Under Secretary
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