

## **CHAPTER II** **PERSONNEL POLICIES**

### (e) Annual Performance Appraisal

#### 1. DPE/Guidelines/II(e)/1

#### Annual Performance Appraisal of Top Management Incumbents of Public Enterprises—procedure regarding

1. BPE DO No.4 (13)/79-BPE (GM-II/US (G) dated 28.4.1980	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.
2. BPE DO No.5/11/82-GM-II dated 21.1.1983	
3. BPE OM No.5/11/82-GM dated 8.2.1985	
4. BPE DO No.17/24/84-GM dated 25.4.1985	
5. BPE OM No.5 (3)/85-GM dated 27.4.1987	
6. BPE OM No.16 (28)/88-GM dated 9.6.1989	
7. DPE DO No. 9(12)/94-DPE (MOU) dated 11.9.1995	
8. DPE OM No. 5(1)/95-GM dated 26.8.2002	

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)**