

F. No. DPE-GM-01/0001/2015-GM -FTS-4857  
Government of India  
Ministry of Heavy Industries & Public Enterprises  
Department of Public Enterprises

Public Enterprises Bhavan,  
Block No. 14, CGO Complex,  
Lodhi Road, New Delhi-110 003.  
Dated: 15<sup>th</sup> December, 2015

**OFFICE MEMORANDUM**

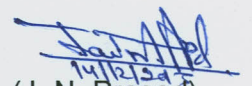
**Subject: Periodical review for ensuring probity and efficacy among employees of CPSEs.**

In the matter of recruitment and personnel management in Central Public Sector Enterprises (CPSEs), the Government has in the past issued general guidelines in the form of model Recruitment Rules (RRs), Conduct, Discipline & Appeal (CDA) Rules / Service Rules for adoption by CPSEs. Based on such model guidelines/ rules, the concerned CPSEs have been drawing up RRs, CDA and Service Rules applicable to their respective organisations. In this context and with a view to ensure probity and efficacy amongst the CPSEs employees, attention is invited to the government instructions issued recently by DoPT vide OM No. 25013/01/2013-Estt.A-IV dated 11-09-2015 (copy enclosed) in terms of provisions under FR 56 (j) prescribing review of Government employees upon completion of specified years of service or attaining specified years of age.

2. Keeping in view the Government instructions stated above, all the CPSEs are required to ensure that similar provisions as laid down under FR 56 (j) are incorporated in their respective CDA/Service Rules and implemented in the spirit of government instructions issued vide DoPT OM No. 25013/01/2013-Estt.A-IV dated 11-09-2015. In case of Board Level appointees of CPSEs, the extant instructions issued by PESB/DoPT from time to time including those issued vide letter no. 13/07/2010-PESB dt. 13-05-2011 and No.5/6/2010-PESB dt. 28-06-2011 (copies enclosed) regarding confirmation and extension of tenure etc. of Board level appointees of CPSEs will continue to be followed.

3. All the concerned Ministries / Departments are requested to advise the CPSEs under their administrative control to carry out the exercise of periodical review of officials of their respective organisation as provided in their CDA / Service Rules.

Encl. as above.

  
(J. N. Prasad)  
Director

To:

All Administrative Ministries / Departments concerned with CPSEs and a copy each to:

- (i) Cabinet Secretariat in reference to communication no. 501/1/3/2015-C.A.V. dated 26.11.2015.
- (ii) Chief Executives of all CPSEs.
- (iii) NIC, Cell DPE with a request to upload a copy at DPE's web-site under the link Guidelines/Miscellaneous.
- (iv) Guard File.

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No.25013/01 /2013-Estt.A-IV  
Government of India  
Ministry of Personnel, Public Grievances and Pensions  
Department of Personnel and Training  
Establishment A-IV Desk

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North Block, New Delhi  
Dated 11<sup>th</sup> September, 2015

OFFICE MEMORANDUM

Subject: Strengthening of administration-Periodical review under FR 56(j) and Rule 48 of CCS (Pension) Rules, 1972

The undersigned is directed to refer to this Department's OM No. 25013/1/2013-Estt(A) dated 21/03/2014 on the periodical review under Fundamental Rule 56 or Rule 48 of CCS (Pension) Rules.

2. Various instructions issued on the subject deal with compulsory retirement under the above mentioned provisions. The Supreme Court has observed in *State of Gujarat Vs. Umedbhai M. Patel*, 2001 (3) SCC 314 as follows:

- (i) Whenever the services of a public servant are no longer useful to the general administration, the officer can be compulsorily retired for the sake of public interest.
- (ii) Ordinarily, the order of compulsory retirement is not to be treated as a punishment coming under Article 311 of the Constitution.
- (iii) "For better administration, it is necessary to chop off dead wood, but the order of compulsory retirement can be passed after having due regard to the entire service record of the officer."
- (iv) Any adverse entries made in the confidential record shall be taken note of and be given due weightage in passing such order.
- (v) Even un-communicated entries in the confidential record can also be taken into consideration.
- (vi) The order of compulsory retirement shall not be passed as a short cut to avoid Departmental enquiry when such course is more desirable.
- (vii) If the officer was given a promotion despite adverse entries made in the confidential record, that is a fact in favour of the officer.
- (viii) Compulsory retirement shall not be imposed as a punitive measure.

3. In every review, the entire service records should be considered. The expression 'service record' will take in all relevant records and hence the review should not be confined to the consideration of the ACR / APAR dossier. The personal file of the officer may contain valuable material. Similarly, the work and performance of the officer could also be assessed by looking into files dealt with by him or in any papers or reports prepared and submitted by him. It would be useful if the Ministry/Department puts together all the data available about the officers and prepares a comprehensive brief for consideration by the Review Committee. Even uncommunicated remarks in the ACRs/APARs may be taken into consideration.

4. In the case of those officers who have been promoted during the last five years, the previous entries in the ACRs may be taken into account if the officer was promoted on the basis of seniority cum fitness, and not on the basis of merit.

5. As far as integrity is considered, the following observations of the Hon'ble Supreme Court may, while upholding compulsory retirement in a case, may be kept in view:

The officer would live by reputation built around him. In an appropriate case, there may not be sufficient evidence to take punitive disciplinary action of removal from service. But his conduct and reputation is such that his continuance in service would be a menace to public service and injurious to public interest.

*S. Ramachandra Raju vs. State of Orissa*

[(1994) 3 SCC 424]

Thus while considering integrity of an employee, actions or decisions taken by the employee which do not appear to be above board, complaints received against him, or suspicious property transactions, for which there may not be sufficient evidence to initiate departmental proceedings, may be taken into account. Judgement of the Apex Court in the case of Shri K. Kandaswamy, I.P.S. (TN:1966) in *K. Kandaswamy vs Union Of India & Anr*, 1996 AIR 277, 1995 SCC (6) 162 is relevant here. There were persistent reports of Shri Kandaswamy acquiring large assets and of his getting money from his subordinates. He also indulged in property transactions which gave rise to suspicion about his bonafides. The Hon'ble Supreme Court upheld his compulsory retirement under provisions of the relevant Rules.

6. Similarly, reports of conduct unbecoming of a Government servant may also form basis for compulsory retirement. As per the Hon'ble Supreme Court in *State Of U.P. And Others vs Vijay Kumar Jain*, Appeal (civil) 2083 of 2002:

If conduct of a government employee becomes unbecoming to the public interest or obstructs the efficiency in public services, the government has an absolute right to compulsorily retire such an employee in public interest.

7. Many changes in the nomenclature and in the areas of responsibility of various departments/Ministries have taken place. In order to simplify and speed up the procedure of review, a need is felt to reconstitute the Review Committees. In partial modification of the OM 25013/15/86-Estt (A) dated 27/06/1986, it has been decided that the Secretaries of the Cadre Controlling Authorities will constitute Review Committees consisting of two Members at appropriate level. The Review Committees in the case of various levels of employees will be as under:

- (A) In case of officers holding Group A posts:

- (a) In r/o ACC appointees:

Review Committee may be headed by the Secretary of the concerned Ministry/Department as Cadre Controlling Authority.

- (b) In r/o Non-ACC appointees:

- (i) Where there are Boards viz CBDT, CBEC, Railway Board, Postal Board, Telecom Commission, etc. the Review Committee may be headed by the Chairman of such Board.



- (ii) Where no such Boards/Commissions exist, the Review Committee may be headed by Secretary of the Ministry/Department.

(B) In case of Group B (Gazetted) officers:

Additional Secretary/Joint Secretary level officer will head the Review Committee.

(C) In the case of Non-Gazetted employees:

- (i) An officer of the level of Joint Secretary will head the Committee. However in case the Appointing Authority is lower in rank than a Joint Secretary, then an officer of the level of Director/Deputy Secretary will be the head.

- (ii) In the case of Non-Gazetted employees in other than centralised cadres, Head of Department/Head of the Organisation shall decide the composition of the Review Committee.

8. CVO in the case of gazetted officers, or his representative in the case of non-gazetted officers, will be associated in case of record reflecting adversely on the integrity of any employee.

9. In addition to the above, the Secretary of the Ministry/Department is also empowered to constitute internal committees to assist the Review Committees in reviewing the cases. These Committees will ensure that the service record of the employees being reviewed, alongwith a summary bringing out all relevant information, is submitted to the Cadre Authorities at least three months before the due date of review.


10. The procedure as prescribed from time to time has been consolidated and enclosed as Appendix to the OM issued by this Department on 21/03/2014. As per these instructions the cases of Government servant covered by FR 56(j), FR 56(l), or Rule 48(1) (b) of CCS (Pension) Rules, 1972 should be reviewed six months before he/she attains the age of 50/55 years, in cases covered by FR 56(j) and on completion of 30 years of qualifying service under FR 56(l)/Rule 48 of CCS (Pension) Rules, 1972 as per the following calendar:

Sl No	Quarter in which review is to be made	Cases of employees who will be attaining the age of 50/55 years or will be completing 30 years of service or 30 years of service qualifying for pension, as the case may be, in the quarter.
1	January to March	July to September of the same year
2	April to June	October to December of the same year
3	July to September	January to March of the next year
4	October to December	April to June of the next year



11. All Ministries/Departments are requested to follow the above instructions and periodically review the cases of Government servants as required under FR 56(j)/FR56(I)/Rule 48(1)(b) of CCS (Pension) Rules, 1972.

12. Instructions on composition of the Representation Committees will be communicated separately.

  
(Mukesh Chaturvedi)  
Director (Establishment)  
Tel: 23093176

To

The Secretaries of All Ministries/Departments  
(as per the standard list)

Copy to:

1. President's Secretariat, New Delhi.
2. Vice-President's Secretariat, New Delhi.
3. The Prime Minister's Office, New Delhi.
4. Cabinet Secretariat, New Delhi.
5. Rajya Sabha Secretariat/Lok Sabha Secretariat, New Delhi.
6. The Comptroller and Auditor General of India, New Delhi.
7. The Secretary, Union Public Service Commission, New Delhi.
8. The Secretary, Staff Selection Commission, New Delhi.
9. All attached offices under the Ministry of Personnel, Public Grievances and Pensions.
10. National Commission for Scheduled Castes, New Delhi.
11. National Commission for Scheduled Tribes, New Delhi.
12. National Commission for OBCs, New Delhi.
13. Secretary, National Council (JCM), 13, Feroze Shah Road, New Delhi.
14. CVOs of all Ministries/Departments.
15. ADG (M&C), Press Information Bureau, DoP&T
- ✓ 16. NIC, Department of Personnel & Training, North Block, New Delhi (for uploading the same on the website of this Ministry under the Head OMs & Orders → Establishment → Premature Retirement.
17. Hindi Section, DoP&T

  
(Mukesh Chaturvedi)  
Director (Establishment)  
Tel: 23093176



सत्यमेव जयते  
Government of India

Dr. (Mrs) Parvinder Sohi Behuria  
सचिव IRS  
Secretary  
Tel : 91-11-24361230

D.O. No.13/07/2010-PESB

लोक उद्यम चयन बोर्ड  
Public Enterprises Selection Board  
Block No- 14 (5<sup>th</sup> Floor)  
ब्लाक नंबर - 14 (5 वीं मंजिल)  
C.G.O. Complex, Lodhi Road,  
सी.जी.ओ. काम्प्लेक्स, लोधी रोड  
New Delhi-110003  
नई दिल्ली-110003

Dated, the 13<sup>th</sup> May, 2011

Dear

The Public Enterprises Selection Board (PESB) has been entrusted with the responsibility of making recommendations for Board level appointments in Central Public Sector Enterprises and has issued guidelines in this regard from time to time in addition to the guidelines issued by the Appointments Committee of the Cabinet and the Department of Public Enterprises.

As you are aware, PESB handles the following responsibilities with respect to Board level appointments in CPSEs:

### 1. Vacancies:

PESB monitors all vacancies and sends the Job Description of various posts to the Administrative Ministry for comments well in advance of one year prior to the date of vacancy. On receipt of comments, PESB approves the Job Description and requests the CPSE to place advertisements in at least two leading national dailies besides putting them up on the website of PESB. On receipt of applications, PESB shortlists 15 candidates on the basis of eligibility criteria and invites them to be interviewed by the Board. Out of these 15 candidates usually 8 are internal (from the same CPSE or its subsidiary), 3 are sectoral (from PSEs of the same Administrative Ministry) 2 external (from any other CPSE) and 2 are from Govt./ State Govt./ State PSE and the private sector. Any shortfall in any quota is distributed on pro rata basis to other groups.



## **2. Confirmation:**

PESB has been monitoring the Board structure of PSEs and writes to Administrative Ministries on the completion of the first year of tenure of a Board level executive requesting for a proposal of confirmation. This proposal includes a Special Performance Report (SPR) in prescribed format devised by PESB, up to date ACRs and a report on the performance of the executive vis a vis MOU targets. The SPR of Director level executives is initiated by the CMD/MD/Chairman of the PSE and countersigned by the Secretary of the Ministry indicating his agreement/disagreement with the evaluation of the CMD/MD and is sent to PESB. For CMD/MD/Chairman, the SPR is written by the Secretary of the Administrative Ministry and sent to PESB along with the documents after completion of 1<sup>st</sup> year.

Executives who score less than 37.5 marks on the SPR are called for a joint appraisal meeting with the Board in presence of the Secretary of the Administrative Ministry. In case the recommendation of non-confirmation is approved by the Competent Authority, the executive vacates the post.

## **3. Extension:**

Board level executives are given a tenure of five years or a tenure upto their age of superannuation, whichever is earlier. On completion of a tenure of five years, if an executive has not attained the age of superannuation, a proposal for extension/non-extension is required to be forwarded to PESB by the Administrative Ministry and the said proposal is considered in a joint appraisal meeting which is attended by the executive and the Secretary of the Administrative Ministry. The proposal has to include a Special Performance Report, Performa B,C, and D devised by PESB alongwith up-to-date ACRs and a recommendation in narrative form by the Secretary of the Administrative Ministry. Executives continue in their posts until the recommendation of PESB is approved or otherwise by the Competent Authority. In case of non-extension, the tenure of the executive will come to an end.

All other proposals like proposals for appointment of nonofficial Directors, up-gradation of Schedules, creation of posts etc are required to be routed through the Department of Public Enterprises to PESB.

Now ACC has reviewed the various procedures and timelines of the aforementioned areas of responsibility and has issued directions vide their letter no. 28(30)EO/2010(ACC) dated 31<sup>st</sup> March, 2011 (copy enclosed).

I am taking this opportunity to draw your kind attention to the directions contained in ACC guidelines for future compliance.



### **Vacancies:**

In compliance of the ACC direction that vacancies will be advertised one year in advance of the occurrence of vacancy, PESB will send the Job Description of the post 16 months in advance to the Administrative Ministry in case of “superannuation” vacancies. In case Ministry’s comments are not received within 15 days, PESB shall finalize the same, on the basis of existing description so that the schedule for advertising vacancies is adhered to strictly.

The recommendation of the PESB shall be sent to the Ministry concerned six months before the expiry of tenure of the incumbent in case of “superannuation” vacancies. The PESB shall send only one name to the Ministry for its consideration. A reserve name shall be kept in a sealed cover with the PESB and shall be disclosed only upon orders of the ACC.

As per ACC directions the details of all the candidates interviewed and recommended by the PESB for each vacancy are being placed on the website of the PESB, [www.pesb.gov.in](http://www.pesb.gov.in), the same day the interviews are concluded.

In case of “unanticipated vacancies” the comments of the Ministry on the Job Description should be sent to PESB within a week so that PESB is enabled to send its recommendation within four months of the occurrence of vacancy.

Any vacancy or joining of post/by Board level executives needs to be informed immediately to PESB so that the date of vacancy/ date of joining can be known which is very crucial for formulating job descriptions.

In order to facilitate compliance of the timelines stipulated by ACC, Ministries may take appropriate action to ensure the availability of ACRs and vigilance profiles at short notice.

### **2. Confirmation of Board level appointees**

Now Ministries are required to send proposals to PESB only in cases of non confirmation on performance grounds i.e. in cases where the score on the SPR is less than 37.5. A CMD/ MD/Functional Director would be deemed to be confirmed unless the Ministry/Department sends a proposal to the PESB, to the contrary, within 30 days after the expiry of one year.

Within this stipulated period of one year and thirty days, the officer would be deemed to have been confirmed and the Ministry shall issue necessary order for confirmation if the Ministry fails to send a proposal to the contrary, to the PESB.



The PESB shall hold a Joint Appraisal on receipt of the proposal for non-confirmation, after which the proposal shall be sent to the Ministry for placing before the ACC for orders. Therefore, Ministry must ensure that proposals reach with complete documents to avoid delay.

If the Ministry/Department is not inclined to confirm the appointee for reasons other than performance such as vigilance issues etc., then such proposal shall be submitted to the ACC directly at least 30 days in advance of the expiry of the scheduled tenure of the incumbent.

The EO shall monitor all cases of confirmation every month and send a report for information of the ACC. Ministry is requested to send a monthly report in this regard to PESB for information.

### **3. Extension of Board level appointees**

Now only proposals of non-extension on performance grounds are required to be sent to PESB by the Administrative Ministries.

All cases of extension shall be referred to the ACC, as is the existing procedure.

The PESB is in consultation with the DPE to evolve a benchmarking system to be applicable while considering proposal for extension. It will be sent to the Ministries shortly. All proposals in which the incumbent meets the benchmark and the Ministry/Department decides to recommend extension shall be referred to the ACC for approval, not later than two months before the scheduled expiry of the tenure of the incumbent. No reference would be needed to PESB for a fresh joint appraisal.

All proposals, wherein the incumbents meet the benchmark, but have some other issue such as vigilance etc. for which the Ministry/Department is not inclined to recommend extension, shall be referred to the ACC for consideration six months before the scheduled expiry of tenure of the incumbent.

All proposals wherein the incumbent does not meet the benchmark shall be referred to the PESB by the Department/ Ministry concerned. This reference has to be made six months before the scheduled expiry of tenure of the incumbent. The recommendation of the PESB shall be referred to the ACC, for orders as at present.

#### 4. Designation of a nodal officer

A nodal officer is sought to be appointed in every Ministry at the level of Joint Secretary to facilitate these procedures and adhere to the ACC timelines.

The name, address, telephone, fax, mobile number of the nodal officer may be communicated to PESB and also displayed on the website of the Ministry

With

Yours

Sd/-

(Dr.(Mrs.) Parvinder Sohi Behuria)

**Enclosure:** ACC letter no. 28(30) EO/2010(ACC) dated 31/03/2011.



GOVERNMENT OF INDIA  
SECRETARIAT OF THE  
APPOINTMENTS COMMITTEE OF THE CABINET  
DEPARTMENT OF PERSONNEL AND TRAINING  
OFFICE OF THE ESTABLISHMENT OFFICER  
NORTH BLOCK, NEW DELHI

No.28(30)EO/2010 (ACC)

Dated the 31<sup>st</sup> March, 2011

Reference correspondence resting with the Public Enterprises Selection Board communication No. 13(7)/2010-PESB dated 6.8.2010.

The Appointments Committee of the Cabinet has approved the following proposal:

**(1) Fresh appointments:**

- (a) The Ministry/Department concerned shall finalize/modify the job description/qualifications/eligibility conditions and communicate the same to the PESB, three months in advance of the stipulated period of one year. In the event of such a job description/qualifications/eligibility conditions not being received by the stipulated time, the PESB shall finalize the same, on the basis of existing description so that the schedule for advertising vacancies is adhered to strictly.
- (b) The advertisement for a vacancy should be released by the PESB one year before the expiry of the tenure of the incumbent.
- (c) The recommendation of the PESB shall be sent to the Ministry concerned six months before the expiry of tenure of the incumbent.
- (d) The PESB shall send only one name to the Ministry for its consideration. A reserve name shall be kept in a sealed cover with the PESB and shall be disclosed only upon orders of the ACC.
- (e) The details of all the candidates interviewed and recommended by the PESB for each vacancy shall be placed on the website of the PESB, the same day the interviews are concluded.
- (f) The PESB shall send a copy of its recommendation to the Ministry / Department concerned and to the CVC as advance information.

**(2) Confirmation of Board level appointees:**

- (a) A CMD/ MD/Functional Director would be deemed to be confirmed unless the Ministry/Department sends a proposal to the PESB, to the contrary, within 30 days after the expiry of one year.
- (b) Within this stipulated period of one year and thirty days, the officer would be deemed to have been confirmed and the Ministry shall issue necessary order for confirmation, if the Ministry fails to send a proposal to the contrary, to the PESB.
- (c) The PESB shall hold a Joint Appraisal on receipt of the proposal, within one month, after which the proposal shall be sent to the Ministry for placing before the ACC for orders.
- (d) If the Ministry/Department is not inclined to confirm the appointee for reasons other than performance such as vigilance issues etc., then such proposal shall be submitted to the ACC directly at least 30 days in advance of the expiry of the scheduled tenure of the incumbent.
- (e) The EO shall monitor all cases of confirmation every month and send a report for information of the ACC.

**(3) Extension of Board level appointees:**

- (a) All cases of extension shall be referred to the ACC, as is the existing procedure.
- (b) The PESB shall, in consultation with the DPE, evolve a benchmarking system to be applicable while considering proposals for extension.
- (c) All proposals in which the incumbents meet the benchmark and the Ministry/Department decides to recommend extension shall be referred to the ACC for approval, not later than two months before the scheduled expiry of the tenure of the incumbent. No reference would be needed to PESB for a fresh joint appraisal.
- (d) All proposals, wherein the incumbents meet the benchmark, but have some other issue such as vigilance etc. for which the Ministry/Department is not inclined to recommend extension, shall be referred to the ACC for consideration six months before the scheduled expiry of tenure of the incumbent.
- (e) All proposals wherein the incumbents do not meet the benchmark shall be referred to the PESB by the Department/ Ministry concerned. This reference has to be six months before the scheduled expiry of tenure of the incumbent. The recommendation of the PESB shall be referred to the ACC, for orders as at present.



(f) All proposals wherein the Ministry suggest termination/non-extension of the incumbent shall be accompanied by the proposal for giving additional charge.

**(4) Unanticipated vacancies:**

As far as unforeseen vacancies are concerned, the PESB shall give three weeks for the applications and in any case select and recommend a candidate within four months of the date of vacancy.

**(5) Scope of the above guidelines:**

While these guidelines relate to appointment/confirmation and extension of CMD/MD/Functional Directors of Schedule A and B PSEs, the same would apply to those belonging to schedule C and D except that the final decision would be taken by the Ministry, as at present, and no reference to the ACC would be needed.

**(6) Designation of a nodal officer**

While the overall responsibility for keeping a track of the vacancies and filling them would be with the Secretary concerned, the Ministry/Department shall assign Specific tasks to the Joint Secretaries concerned and also include this as a part of key deliverables of the officer.

Sd/-

(Deepak Israni)

Under Secretary to the Govt. Of India

Tel : 23093671

Public Enterprise selection Board,  
(Dr. P.S. Behuria, Secretary),  
Block No.14, CGO Complex, Lodhi Road,  
New Delhi



सत्यमेव जयते

Dr. (Mrs) Parvinder Sohi Behuria  
सचिव IRS  
Secretary  
Tel : 91-11-24361230

D.O. No. 5/6/2010 -PESB

लोक उद्यम चयन बोर्ड

Public Enterprises Selection Board

Block No- 14 (5<sup>th</sup> Floor)

ब्लॉक न.- 14 (5 वीं मींजिल)

C.G.O. Complex, Lodhi Road,

सी.जी.ओ. कॉम्प्लेक्स, लोधी रोड

New Delhi-110003

नई दिल्ली-110003

Dated 28/06/2011

**Sub: Benchmark for considering proposals for extension of Board level appointments in CPSEs.**

Dear

In continuation of DO letter No. 13/7/2010-PESB dated 13.05.2011 and in pursuance of the ACC decision on the subject, PESB has, in consultation with Department of Public Enterprises (DPE) evolved a benchmarking system to be applicable while considering proposals for extension (enclosed). In this connection, I am enclosing the proforma/Special Performance Report for CMD/MD/Director. Details of this system are given in the following paragraphs:

(a) The Special Performance Report (SPR) for extension and appointments will comprise inputs on performance of the incumbent in four proforma 'A', 'B', 'C', 'D'. The numerical scores are to be given on a scale of 1 to 5 in accordance with the guidelines accompanying proforma 'A'.

(b) For CMD /MD, an overall performance score of 80 out of the maximum of 100 is the benchmark fixed by PESB for extension without reference to PESB whereas a score of below 80 needs to be sent to PESB for holding a Joint Appraisal Meeting. For Directors an overall performance score of 40 out of the maximum of 50 is the benchmark fixed by PESB for extension without reference to PESB. The extension case of an individual getting a numerical score of less than 40 will be required to be sent to PESB for a Joint Appraisal Meeting.

(c) Reference to PESB from the Ministry for a Joint Appraisal Meeting has to be accompanied with the following documents based on inputs from the PSU:-



- (i) Proforma 'A' duly filled in accordance with the guidelines.
  - (ii) Proforma 'B', 'C', and 'D' which are already in existence for extension cases.
  - (iii) ACRs for the last 4 years.
  - (iv) Any special comments which the Secretary of the Administrative Ministry may like to make.
2. In cases needing Joint Appraisal, the proposal to PESB has to be made six months in advance of completion of the current tenure of the incumbent. It is important to adhere to this timeline so that the decision of the competent authority is obtained well before the tenure of the incumbent comes to an end.
3. I would like to reiterate that extension cases of Board level PSU executives will be dealt with as per these guidelines with immediate effect.

Yours

Sd-

Dr. (Mrs) Parvinder Sohi Behuria

Encl: As above.

1. CMD/MD

PESB/Special Performance Report for Extension of Service

Name \_\_\_\_\_ Designation \_\_\_\_\_

Organization \_\_\_\_\_ Date of Joining \_\_\_\_\_

*This form is divided into two parts: the assessment of the generic characteristics and the functional characteristics. To protect the integrity of the appraisal, it is to be filled up in the reporting officers own hand. Please use a 5 point scale, where 5 = excellent, 4= very good, 3 = average, 2 = fair and 1 = unsatisfactory. Extreme grading must be justified by concrete reasons.*

A) <u>GENERIC ATTRIBUTES:-</u> Assessment of the candidate's following qualities.	Rating
(subheadings indicate factors to be kept in mind while assessing performance. These are only suggestive and not exhaustive)	
[1] LEADERSHIP ABILITIES <i>(Demonstrated ability for guiding collective decision making process, succession Planning, ability for crisis management, ability to take risks etc.)</i>	1-2-3-4-5
[2] TEAM BUILDING <i>(Demonstrated effectiveness in reorganizing his department's ability to manage diverse and divergent views, managing group process without loosing sight of objective.)</i>	1-2-3-4-5
[3] ABILITY TO BUILD A STRATEGIC VISION <i>(Demonstrated ability for change management, demonstrated focus on long term issues, Strategic thinking ability to translate vision into goals and focus on implementation)</i>	1-2-3-4-5
[4] BUSINESS SENSE <i>(Demonstrated sensitivity to surrounding business environment and demonstrated Ability to spot opportunities for financial prudence)</i>	1-2-3-4-5
[5] COMMUNICATION SKILLS <i>(Acceptability within the organization, performance at board meetings etc, negotiation Skills, ability to convert ideas into action plans etc.)</i>	1-2-3-4-5
[6] PROBLEM SOLVING AND ANALYTICAL ABILITY <i>(Analyzing and solving a problem by identifying the elements and relationships of a Problem in a systematic way and identifying logical links. )</i>	1-2-3-4-5
[7] RESULT ORIENTATION <i>(Demonstrated drive for results and ensure that operating practices and performance Results adhere to high standards of efficiency and excellence.)</i>	1-2-3-4-5

A. TOTAL 1-7 (MAXIMUM 35)	[ ]
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B. MOU Rating

Parameter	Basis	Rating
MOU Rating	As given by Govt.	*

\* The last 4 available MOU ratings during which the officer was working in the company would be considered and marks would be awarded as under.

MOU Rating      Marks

Excellent	10
Very Good	8
Good	5
Fair	3
Poor	1

The marks would be awarded for each year’s MOU rating and then added for getting total score for 4 years.

In case the company did not sign MOU for particular year(s), the score would be calculated for the year(s) for which MOU rating is available and then pro-rata score for 4 years would be calculated.

B.    TOTAL MOU RATING (MAXIMUM 40)	[    ]
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C. FUNCTIONAL ATTRIBUTES

(Select any 5 of the following which are considered most relevant to the position)

1.      PARAMETERS

S. No.	Parameters	Basis	Base F.Y		Last F.Y		Rating
			Target	Actual	Target	Actual	
1	Production/Sales	Quantity					1-2-3-4-5
2	Exports	Quantity					1-2-3-4-5
3	Major Projects	Time over run					1-2-3-4-5
4	Major Projects	Cost over run					1-2-3-4-5
5	Manpower cost/cost of production	Rs. lakh					1-2-3-4-5

6	Profit before Tax	Rs. lakh					1-2-3-4-5
7	Reduction in Energy Consumption	Quantity					1-2-3-4-5
8	Reduction in Sundry Debtors	Days of sales					1-2-3-4-5
9	Increase in market share of main products (Name of products to be given)	%					1-2-3-4-5
10	Reduction in Inventory	Days of production					1-2-3-4-5
11	Training mandays	Number					1-2-3-4-5
12	Measures on Quality Control	Narrative					1-2-3-4-5
13	Environment & Safety management	Narrative					1-2-3-4-5
14	Initiatives towards planned development / long term plans/diversification	Narrative					1-2-3-4-5
15	Value added per employee	Rs. lakhs					1-2-3-4-5
16	Any other parameter						1-2-3-4-5

<b>C. (MAXIMUM 25)</b>	<b>[     ]</b>
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<b>Assessment of the overall performance [total of A+B+C above]     = [     ]</b> <b>(MAXIMUM 100)</b>
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If necessary, please attach a separate sheet, also in your own hand, for any additional information.

Date	Signature & Designation of Appraiser
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Note:

1. Cases with a total score below 80 out of 100 and/or any individual score of less than 3 in Parts A and C and less than 20 in Part B will need to be sent to PESB for holding a Joint Appraisal.
2. In case of a Company not signing MOU at all, the total score required for not making reference to PESB will be 48 out of 60 with no individual score being less than 3.
3. In case of CMD/MD of the Board, the SPR will be initiated by the Secretary of Administrative Ministry and sent to PESB 6 months in advance of completion of tenure, in case Joint Appraisal is needed.



## **PESB/Special Performance Appraisal**

### **Guidelines**

1. This format of the form is **not** confidential. You are encouraged to share this format with the officer who is being assessed.
2. The Proforma 'A' is to be filled in by hand by the Appraiser.
3. Although the form is substantially complete, please attach separate annexure, if any required.
4. The form is divided into assessment of the two broad attributes, the generic and the functional in addition to MOU performance of company.
5. Both sets of attributes are to be evaluated on a scale of 1-5, where 1 is minimum (unsatisfactory) and 5 is the maximum (excellent)
6. The generic characteristics carry a weight of 35%, MOU Rating has a weight of 40% while the functional characteristics carry a weight of 25%. The maximum score that an individual can have is 100. The minimum acceptable to PESB is a total of 80 in the aggregate with no attribute being less than 3.
7. While the generic attributes are based on the qualitative assessment, as far as possible please use objective criterion so far as the functional attributes are concerned. Ratings are to be supported with quantitative numbers as indicated against their parameters.
8. The common factor between all these attributes is the assessment of the individual's contribution to the creation of value for the organization. This may please be kept in mind while filling in the form.

### **Special Instructions for the Generic Attributes**

1. In terms of detailed definition/explanations:

- i) Leadership abilities must reflect the candidate's ability to provide leadership not only within the organization but also in the industry.
- ii) Team building attributes must reflect the candidate's ability to manage diverse views and ensuring group processes yield synergy.
- iii) Strategic visioning must be the result of strategic thinking, i.e. the ability to look at things differently, and the ability to break down the vision into consistent objectives and goals.
- iv) Business sense must include financial conservativeness coupled with the ability to take calculated risks based on sensitivity to the external environment.
- v) Above all, communication skills must reflect the candidate's ability to communicate, both verbally as well as non-verbally, within and outside the organization.

### **Special Instructions for the Functional Attributes**

- 1. Measures have to be with reference to base Financial Year i.e. the completed financial year before joining the post, compared with the performance in the last completed financial year.
- 2. For the base financial year as well as the last Financial Year, comparison may be with reference to original budgeted target versus actuals, indicating the percentage of achievement.
- 3. Under functional attributes, other relevant attributes may also be added but the total number of attributes adopted will be limited to 5 for a particular position Viz Chairman/CMD/MD/Director. Secretary of the administrative Ministry may decide on the applicable attributes for Chairman/CMD/MD and for Directors in consultation with the Chairman of the company. This should be done in advance preferably within a couple of months of the incumbent joining the post.



PROFORMA ‘A’

1. DIRECTOR

PESB/Special Performance Report for Extension of Service

Name \_\_\_\_\_ Designation \_\_\_\_\_

Organization \_\_\_\_\_ Date of Joining \_\_\_\_\_

*This form is divided into two parts: the assessment of the generic characteristics and the functional characteristics. To protect the integrity of the appraisal, it is to be filled up in the reporting officers own hand. Please use a 5 point scale, where 5 = excellent, 4= very good, 3 = average, 2 = fair and 1 = unsatisfactory. Extreme grading must be justified by concrete reasons.*

**GENERIC ATTRIBUTES:-** Assessment of the candidate’s following qualities. Rating

(subheadings indicate factors to be kept in mind while assessing performance.

These are only suggestive and not exhaustive)

[1] LEADERSHIP ABILITIES 1-2-3-4-5

*(Demonstrated ability for guiding collective decision making process succession planning, ability for crisis management, ability to take risks etc.)*

[2] TEAM BUILDING 1-2-3-4-5

*(Demonstrated effectiveness in reorganizing his department’s ability to manage diverse and divergent views, managing group process without losing sight of objective.)*

[3] ABILITY TO BUILD A STRATEGIC VISION 1-2-3-4-5

*Demonstrated ability for change management, demonstrated focus on long term issues, strategic thinking ability to translate vision into goals and focus on implementation)*

[4] BUSINESS SENSE 1-2-3-4-5

*(Demonstrated sensitivity to surrounding business environment and demonstrated a bility to spot opportunities for financial prudence)*

[5] COMMUNICATION SKILLS 1-2-3-4-5

*(Acceptability within the organization, performance at board meetings etc, negotiation skills, ability to convert ideas into action plans etc.)*

<b>A. TOTAL 1-5 (Maximum Marks 25)</b>	<b>[ ] =</b>
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## B. FUNCTIONAL ATTRIBUTES

(Select any five of the following which are considered most relevant to the position. However MOU rating is compulsory parameter except if company is not signing MOU at all)

S.No.	Parameters	Basis	Base F.Y		Last F.Y		Rating
			Target	Actual	Target	Actual	
6.	MOU Rating	As given by Govt.					** 1-2-3-4-5
7.	Production/Sales	Quantity					1-2-3-4-5
8.	Exports	Quantity					1-2-3-4-5
9.	Major Projects	Time over run					1-2-3-4-5
	--	Cost over run					
	--						
	--						
10.	Manpower cost/cost of production	Rs/lakh					1-2-3-4-5
11.	-- Profit before Tax -	Rs/lakh					1-2-3-4-5
12.	Reduction in Energy Consumption	Quantity					1-2-3-4-5
13.	Reduction in Sundry Debtors	Days of sales					1-2-3-4-5
14.	Increase in market share of main products (e.g.....)	%					1-2-3-4-5
15.	Reduction in Inventory	Days of production					1-2-3-4-5
16.	Training mandays	Number					1-2-3-4-5
17.	Measures on Quality Control	Narrative					1-2-3-4-5
18.	Environment & Safety management	Narrative					1-2-3-4-5
19.	Initiatives towards planned development / long term plans/diversification	Narrative					1-2-3-4-5
20..	Value added per employee						
21.	Any other						

\*\* The last 4 available MOU ratings during which the officer was working in the company would be considered and marks would be awarded as under.



MOU Rating      Marks

Excellent      5  
Very Good      4  
Good      3  
Fair      2  
Poor      1

The marks would be awarded for each year's MOU rating and then added and then averaged for getting total score for 4 years.

In case the company did not sign MOU for particular year(s), the score would be calculated for the year(s) for which MOU rating is available and then pro-rata score for 4 years would be calculated.

**B. TOTAL      (MAXIMUM 25)      [      ] =**

**Assessment of the overall performance [total of A+B above]      = [      ]  
(MAXIMUM 50)**

If necessary, please attach a separate sheet for any additional information.

Date

Signature & Designation of Appraiser

(Signature of Secretary)

Note:

4. Cases with a total score below 40 out of 50 and/or any individual score of less than 3 (including in MOU rating) will need to be sent to PESB for holding a Joint Appraisal.
5. In case of Functional Director, the SPR will be initiated by the CMD/MD of the company and countersigned by Secretary of Administrative Ministry and sent to PESB 6 months in advance of completion of tenure, if Joint Appraisal is needed.

## **PESB/Special Performance Appraisal**

### **Guidelines**

9. This format of the form is **not** confidential. You are encouraged to share this format with the officer who is being assessed.
10. The enclosed sheet is to be filled in by hand by the reporting officer.
11. Although the form is complete in all respects, and should not warrant any annexes, any additional data provided should also be as far as possible in the reporting officers own hand.
12. The form is divided into your assessment of the two broad attributes, the generic and the functional.
13. Both sets of attributes are to be evaluated on a scale of 1-5, where 1 is minimum (unsatisfactory) and 5 is the maximum (excellent)
14. The weight of the two sets of characteristics are the same in case of Directors. From the 10 attributes, the maximum score that an individual can have is 50. The minimum acceptable to PESB is a total of 40 in the aggregate with no attribute being less than 3.
15. While the generic attributes are based on the qualitative assessment, as far as possible please use objective criterion so far as the functional attributes are concerned. Ratings are to be supported with quantitative numbers as indicated against their parameters.
16. The common factor between all these attributes is the assessment of the individual's contribution to the creation of value for the organization. This may please be kept in mind while filling in the form.



#### **Special Instructions for the Generic Attributes**

2. The Generic attributes are five in number. They reflect **your** assessment as in most cases quantification may not be possible.
3. The evaluation of the attributes must relate to the overall objective, i.e. whether the candidate has, in the last year, been able to create value for the organization
4. In terms of detailed definition/explanations:
  - i) Leadership abilities must reflect the candidate's ability to provide leadership not only within the organization but also in the industry.
  - ii) Team building attributes must reflect the candidate's ability to manage diverse views and ensuring group processes yield synergy.
  - iii) Strategic visioning must be the result of strategic thinking, i.e. the ability to look at things differently, and the ability to break down the vision into consistent objectives and goals.
  - iv) Business sense must include financial conservativeness coupled with the ability to take calculated risks based on sensitivity to the external environment.
  - v) Above all, communication skills must reflect the candidate's ability to communicate, both verbally as well as non-verbally, within and outside the organization.

#### **Special Instructions for the Functional Attributes**

4. Measures have to be with reference to base Financial Year i.e. the completed financial year before joining the post, compared with the performance in the last completed financial year.
5. The overall performance rating may be given in a scale from 1-5 where 5 is highest and 1 is lowest.
6. For the base financial year as well as the last Financial Year, comparison may be with reference to original budgeted target versus actuals, indicating the percentage of achievement.
7. Under functional attributes, other relevant attributes may also be added but the total number of attributes adopted will be limited to 5 for a particular position. Secretary of the administrative Ministry may decide on the applicable attributes for CMD/MD and for Directors in consultation with the Chairman of the company. This should be done in advance preferably within a couple of months of the incumbent joining the post.

**PERFORMANCE APPRAISAL = PROFORMA 'B'**

NAME :

DESIGNATION INCLUDING :

NAME OF THE ENTERPRISE

DATE OF BIRTH :

DATE OF APPOINTMENT :

TO THE PRESENT POST

PERFORMANCE OF THE ENTERPRISE SINCE THE DATE OF APPOINTMENT

OF THE INCUMBENT TO THE PRESENT BOARD LEVEL POST:

(RS. IN CRORE)

YEARS	CAPACITY UTILISED %	INVESTMENT	CAPITAL EMPLOYED	TURNOVER	PROFIT LOSS	MANDAYS LOST (No)
(1)	(2)	(3)	(4)	(5)	(6)	(7)

PERFORMANCE OF THE ENTERPRISE DURING 3 YEARS PRECEDING THE ABOVE-  
MENTIONED PERIOD:

(RS. IN CRORE)

YEARS	CAPACITY UTILISED %	INVESTMENT	CAPITAL EMPLOYED	TURNOVER	PROFIT LOSS	MANDAYS LOST (No)
(1)	(2)	(3)	(4)	(5)	(6)	(7)

NOTE: FIGURES AS PER ANNUAL REPORT



PERFORMANCE APPRAISAL (PERSONNEL) = PROFORMA 'D'  
FOR THE LAST 5 YEARS

1. NUMBER OF EMPLOYEES : (AS ON 31<sup>st</sup> MARCH)
2. NUMBER OF STRIKES AND LOCK-OUTS :
3. PAY REVISION UNDERTAKEN :
4. EMPLOYEES PARTICIPATION IN  
MANAGEMENT
5. PERCENTAGE OF SC & ST EMPLOYEES/OBCs  
SEPARATELY
6. EMPLOYEES PARTICIPATION IN  
MANAGEMENT
7. INTRODUCTION OF PERFORMANCE MANAGEMET  
SYSTEM
8. HOLDING OF DPCs IN TIME
9. OTHER AREAS OF WORK