



सत्यमेव जयते

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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 मंजिल)  
C.G.O. Complex, Lodhi Road,  
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New Delhi-110003  
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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) 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 Ability 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.)*

[6] PROBLEM SOLVING AND ANALYTICAL ABILITY **1-2-3-4-5**

*(Analyzing and solving a problem by identifying the elements and relationships of a Problem in a systematic way and identifying logical links. )*

[7] RESULT ORIENTATION **1-2-3-4-5**

*(Demonstrated drive for results and ensure that operating practices and performance Results adhere to high standards of efficiency and excellence.)*

**A. TOTAL 1-7 (MAXIMUM 35)**

[ ]

## 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>B. TOTAL MOU RATING (MAXIMUM 40)</b> [   ]
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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					<b>1-2-3-4-5</b>
2	Exports	Quantity					<b>1-2-3-4-5</b>
3	Major Projects	Time over run					<b>1-2-3-4-5</b>
4	Major Projects	Cost over run					<b>1-2-3-4-5</b>
5	Manpower cost/cost of production	Rs. lakh					<b>1-2-3-4-5</b>

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

**C. (MAXIMUM 25)** [ ]

**Assessment of the overall performance [total of A+B+C above] = [ ]**  
(MAXIMUM 100)

If necessary, please attach a separate sheet, also in your own hand, for any additional information.

Date

Signature & Designation of Appraiser

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.

**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.)*

**A. TOTAL 1-5 (Maximum Marks 25) [ ] =**

**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  Cost over run					1-2-3-4-5
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 (FINANCE) = PROFORMA 'C'

RS. IN CRORES

1. WHETHER THE COMPANY HAS DEVELOPED A CORPORATE FINANCE  
SHORT-TERM, MEDIUM-TERM

2. (i) INVENTORY CONTROL:

YEAR                      NUMBER OF DAYS OF PRODUCTION

(ii) SUNDRY DEBTOR

YEAR                      NUMBER OF DAYS OF SALES

3. INPUT-OUTPUT RATIOS

NET PROFIT/NET SALES (%)

NET SALES/CAPITAL EMPLOYED (RATIO)

LONG TERM DEBT/NET WORTH (RATIO)

SALARY AND WAGES TO SALES TURNOVER

EARNING PER SHARE (IN RS.)

DEBT EQUITY RATIO

NET PROFIT/NET WORTH

4. TAX PLANNING:

5. ANY OTHER AREAS TO WHICH HE HAS BEEN ENGAGED:

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