



सैन्ट्रल रेलसाइड वेअरहाउस कम्पनी लिमिटेड

(भारत सरकार का उद्यम)

आईएसओ 9001:2008 प्रमाणित कम्पनी

CENTRAL RAILSIDE WAREHOUSE COMPANY LIMITED

(A Govt. of India Enterprise)

An ISO 9001:2008 Certified Company

सीआईएन : यू63023डीएल2007पीएलसी165676

CIN:U63023DL2007PLC165676



मिनी रत्न
Mini Ratna PSU



Date: 26.11.2018

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No. CRWC-I/PRP/18-19 / 2121

CIRCULAR

SUB: Revised Scheme of Performance Related Pay (PRP)

Board in its 57th meeting held on 27.09.2018 has approved the revised PRP Policy of CRWC (Copy enclosed). The revised PRP policy is effective from 01.04.2017.

This is issued with the approval of Competent Authority.

Ritesh
26/11/2018
Ritesh

Manager (HR)

Distribution to:

1. All HODs, CRWC, CO, New Delhi
2. All Terminal Managers, CRWC
3. Manager (IT) to upload it on CRWC Website

Copy to:

PS to MD, CRWC

REVISED SCHEME FOR PERFORMANCE RELATED PAY

As per DPE Instructions

Vide OM dated 03.08.2017

1.0 Introduction:

The Performance Related Pay (PRP) is directly linked to the profit of the CPSE and to that of the Company rating as well as Performance rating of the Executives in the CPSE. The revised PRP model will be effective from financial year 2017-18.

2.0 Objective:

- 2.1 Promoting motivation, oriented morale and team spirit among the employees to achieve the goals of the organization.
- 2.2 Inculcating performance oriented culture across organization.
- 2.3 Encouraging high level performance by employees linking their performance to pay.
- 2.4 Motivating employees for maximizing MoU score of the organization and achieving the targets set in MoU.
- 2.5 Retaining talents within the organization.

3.0 Coverage:

3.1 The scheme will cover Board level & below board level Executives/non-unionized supervisors who are on the regular rolls of the Company or working on deputation basis and are not covered under the purview of the payment of Bonus Act. Trainees and Executives on contractual appointment will not be entitled for PRP.

4.0 Features of the Scheme

4.1 The PRP under this scheme will be paid annually. The computation will be done on the basis of audited figures of the financial year and the applicable incentive amount will be paid during the following financial year.

4.2 Allocable Profits:

The overall profits for distribution of PRP shall be limited to 5% of the year's profit accruing only from core business activities (without consideration of interest on idle cash/bank balances), which will be exclusively for executives and for non-unionized supervisors of the CPSE. The

Individual Performance Rating	%age eligibility of PRP
Excellent	100%
Very Good	80%
Good/Average	60%
Fair	40%
Poor	Nil

As per DPE guidelines, the forced rating of 10% as below par/Poor performer has been dispensed away resulting into discontinuation of Bell-curve. However, capping of giving Excellent rating to not more than 15% of the total executive's in the grade (at below Board level) has been retained as per DPE guidelines.

4.4 Percentage ceiling of PRP (%age of BP):

- a) The grade-wise percentage ceiling for drawal of PRP within the allocable profits has been rationalized as under:-

Grade	Ceiling (%) of Basic Pay
E-0 to E-3	40
E-4 to E-5	50
E-6	60
E-7	70
E-8	80
E-9	90
Director (C & D)	100
Director (A & B)	125
CMD/MD (C & D)	125
CMD/MD (A & B)	150

4.5 Kitty Factor:

After considering the relevant year's profit, incremental profit and the full PRP payout requirement (computed for all executives based on Grade-wise ceilings, CPSE's MoU rating, Individual performance rating), there will be two cut-off factors worked out based on the PRP distribution of 65:35. The first cut-off shall be in respect of PRP amount required out of year's profit, and the second cut-off shall be in respect of PRP amount required out of incremental profit, which shall be computable based on the break-up of allocable profit (i.e. year's 5% of profit bifurcated into the ratio of 65:35 towards year's profit and incremental profit).

5. Executives awarded major punishments during the financial year will not be entitled for PRP for that year.
6. Executives resigning from the service of the Company will be entitled for proportionate payment of PRP provided they serve the company for minimum six months during the year for which PRP is to be paid.
7. In the absence of APAR ratings, it would not be possible to pay PRP in terms of DPE extant guidelines. The exception to the position could be allowed only in cases where APAR process could not be completed due to the following cases:
 - Demission of office and/or retirement of officer reported upon before the initiation of APAR.
 - Demission of office and/or retirement of reviewing/accepting authority before writing the APAR of the officers reported upon.
8. In case APAR rating of a Board level executive is not available for the relevant period for the reasons brought above, APAR rating of the concerned Board level executive may be considered as one grade lower than the MoU rating of the CPSE for the relevant financial year for the purpose of payment of PRP.
9. 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.)
10. PRP shall be payable to any financial year only when Remuneration Committee (headed by an Independent Director) is in place to decide the payment of PRP within the prescribed limits and guidelines.

6.0 EXCEPTION:

6.1 The management reserves the right to add to, delete from, amend or modify any of the provisions of this scheme within DPE guidelines or withdraw the scheme in its entirety, at any time, without any notice or assigning any reason whatsoever.

EXAMPLES

Performance Related Pay (PRP): Examples for calculating Kitty factor/Allocable profit

- PRP Kitty Distribution: within 5% of profit accruing from core business activities (hereinafter, for brevity, referred to as Profit).
- Ratio of relevant year's profit : incremental profit = 65 : 35

Example - 1:

Sl.	Parameters	Amount (Rs.)/ %age
1	FY 2016-17	Profit = 5000 crore
2	FY 2017-18 [for which PRP is to be distributed]	Profit = 6000 crore
3	Incremental profit	1000 crore
4	5% of the year's profit	300 crore
5	<i>Allocable profit out of current year's 5% of profit based on distribution in the ratio of 65:35 towards the year's profit and incremental profit.</i>	
a.	PRP payout from year's profit	195 crore [i.e. 65% out of 300 crore]
b.	PRP payout from incremental profit	105 crore [i.e. 35% out of 300 crore]; [105 crore can be fully utilized as incremental profit is 1000 crore.]
6	Full PRP Payout requirement (computed for all executives based on Grade-wise ceilings, CPSE's MOU rating, Team rating & Individual performance rating) – but without applying kitty factor related to year's profit or Incremental profit	500 crore
7	<i>PRP payout break-up based on 65:35 distribution out of year's profit and incremental profit.</i>	
a	PRP amount required out of year's profit (i.e. 65% of Sl. No. 6)	65% of 500 crore = 325 crore
a1	Cut-off factor(1) (in %age) for year's PRP payout with reference to Sl. No. 5(a) & 7(a)	195 crore / 325 crore = 60.00%
b	PRP amount required out of incremental profit (i.e. 35% of Sl. No. 6)	35% of 500 crore = 175 crore
b1	Cut-off factor(2) (in %age) for incremental	105 crore / 175 crore = 60.00%

PRP Payout to Individual Executives

Example - 1 : For Grade E-1

Sl	Parameter	Amount (Rs.)/ %age payout
A	CPSE's MOU rating [Weightage = 50%]	75% (Very Good)
B	Team's rating [Weightage = 30%]	100% (Excellent)
C	Individual's performance rating [Weightage = 20%]	60% (Good/Average)
D	Grade ceiling (E1) (Max. of 40% of BP)	40% of BP
E	Cut-off factor (1)	60.0%
F	Cut-off factor (2)	60.0%
G	Kitty Factor for Grade E1 i.e. [65% x D (Grade PRP ceiling) x E (Cut-off factor(1))] <i>Plus (+)</i> [35% x D (Grade PRP ceiling) x F (Cut-off factor(2))]	$[65\% \times 40\% \times 60.00\%] + [35\% \times 40\% \times 60.00\%]$ $= 15.60\% + 8.40\%$ $= 24.00\%$
E	<u>Net PRP</u>	
i	Factor-X [Company's performance component]	$Wtg.(50\%) \times A \times G$
	i.e.	$50\% \times 75\% \times 24.0\% = 9.00\%$
ii	Factor-Y [Team's performance component]	$Wtg.(30\%) \times B \times G$
	i.e.	$30\% \times 100\% \times 24.00\% = 7.20\%$
iii	Factor-Z [Individual's performance component]	$Wtg.(20\%) \times C \times G$
	i.e.	$20\% \times 60\% \times 24.00\% = 2.88\%$
H	PRP payout distribution	Factor X + Factor Y + Factor Z = 19.08% of Basic Pay

PRP Payout to Individual Executives

Example – 2 : For Grade E-1

Sl	Parameter	Amount (Rs.)/ %age payout
A	CPSE's MOU rating [Weightage = 50%]	75% (Very Good)
B	Team's rating [Weightage = 30%]	100% (Excellent)
C	Individual's performance rating [Weightage = 20%]	60% (Good/Average)
D	Grade ceiling (E1) (Max. of 40% of BP)	40% of BP
E	Cut-off factor (1)	60.0%
F	Cut-off factor (2)	00.0%
G	Kitty Factor for Grade E1 i.e. [65% x D (Grade PRP ceiling) x E (Cut-off factor(1))] Plus (+) [55% x D (Grade PRP ceiling) x F (Cut-off factor(2))]	$[65\% \times 40\% \times 60.00\%] + [55\% \times 40\% \times 0.00\%]$ $= 15.60\% + 0.00\%$ $= 15.60\%$
E	<u>Net PRP</u>	
i	Factor-X [Company's performance component]	Wtg.(50%) x A x G
		i.e. $50\% \times 75\% \times 15.60\% = 5.85\%$
ii	Factor-Y [Team's performance component]	Wtg.(30%) x B x G
		i.e. $30\% \times 100\% \times 15.60\% = 4.68\%$
iii	Factor-Z [Individual's performance component]	Wtg.(20%) x C x G
		i.e. $20\% \times 60\% \times 15.60\% = 1.87\%$
H	PRP payout distribution	Factor X + Factor Y + Factor Z = 12.40% of Basic Pay