

THE STATE TRADING CORPORATION OF INDIA LTD: NEW DELHI
(INDUSTRIAL RELATIONS GROUP)

October 21, 2011

CIRCULAR No.IR/19/2011

Sub: Payment of Performance Related Pay

The Competent Authority has approved payment of Performance Related Pay (PRP) to Board level, below Board level executives and Staff members of the Corporation for the year 2010-11.

1. Methodology for calculation and payment of PRP

PRP for the year 2010-11 will be based on the formula (A x B x C x D x E x F).

Values of A, B, C, D, E & F are as under:-

- A=** Component of PRP from the PBT for 2010 -11 which is to be taken as 0.60.
- B= Annual Basic Pay:-** The PRP will be calculated taking into account the annual revised basic pay.
- C= Corporation's MOU Ratings:-** The MOU rating of STC for the year 2010-11 is provisionally 'Very Good'. Thus the corresponding eligibility level is 0.80.
- D = Grade Incentive Ceiling:-** Grade incentive ceiling for the employees will be as under:-

DESIGNATION	GRADE	INCENTIVE CEILING
Gr-I to SOM-II	STAFF MEMBERS	30%
AM to MM	E1-E3	40%
CM to DGM	E4-E5	50%
JGM/GM	E6-E7	60%
CGM	E8	70%
DIRECTORS	-	150%
CMD	-	200%

If an employee is promoted to the next higher grade during the financial year for which PRP is to be paid, PRP would be paid on prorata basis.

- E = Performance Rating:-** The applicable performance rating for Managers is as under:-

CR RATING	PERFORMANCE INCENTIVE
Outstanding	100%
Very Good	80%
Good	60%
Fair	40%
Poor	NIL

F = Ratio of required amount to available amount:- Ratio of required amount to available amount would be taken as 0.637 for the year 2010-11.

2. Conditions:

PRP to Board Level and below Board level Executives and staff members for the year 2010-11 will be released subject to the following conditions:

- i) PRP will be withheld in cases of executives where final ACR ratings have not been received by the CR Cell,
- ii) PRP will be withheld in cases where Executives who have been rated as 'Good' and 'Fair' pending finalization by the Committee to meet requirements of DPE guidelines.
- iii) PRP to all staff members will be released by taking their ratings as 'VG' on ad hoc basis.
- iv) MOU score of the Corporation has not been confirmed till date and hence continues to be provisional as 'VG'. Therefore, payment of PRP to all employees will be provisional subject to adjustment, if required.

3. PRP shall be admissible to the following categories of employees:-

- i) All regular employees of the Corporation including CMD, full time Directors & CVO;
- ii) Employees on deputation to STC including those who have joined the Corporation on the basis of their application for a position in STC but have been allowed to retain lien in their parent office as per rules subject to the condition that an employee should have actually worked for not less than 30 days in the financial year for which PRP is admissible.

4. The following category of employees shall be paid PRP on pro-rata basis:-

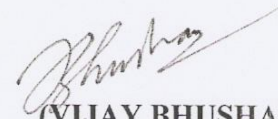
- i) Who joined the Corporation in between the financial year;
- ii) Who took leave on half pay/ without pay for any period during the financial year;
- iii) Who joined some other organization on deputation terms during the financial year;
- iv) Who died/superannuated/resigned from the services of the Corporation during the financial year.

5. PRP will not be admissible to:-

- i) Employees dismissed/removed/terminated from the services of the Corporation as a measure of disciplinary action;

- ii) Those who have been placed under suspension for the time being as on the date of issue of this Circular;
- iii) Period of suspension will not be counted for calculation of PRP unless exonerated after the conclusion of disciplinary proceedings;
- iv) In case a charge-sheet for major penalty has been issued to an employee, the PRP amount payable for that year only will be withheld till the conclusion of the disciplinary proceedings;
- v) EL availed for more than 30 days in a year and Commuted Leave availed for more than ten days in a year will not be counted for calculation of PRP for that year. The payment of PRP will be proportionately deducted for number of days leave availed in excess of limits mentioned above.
- vi) Persons re-employed after the age of superannuation;
- vii) Apprentices/Trainees;
- viii) Contingents/Contract employees;
- ix) Consultants/Advisors/Expeditors/Chasers etc. appointed on part-time/ad-hoc retainer-ship basis; and
- x) Any other category of employees as the Management may decide.

All employees will have to give an undertaking as Annexure-1 before payment of PRP.



**(VIJAY BHUSHAN)
JOINT GENERAL MANAGER (PERS.)**

- Exe. Secy. to CMD
- Secy. to all Directors/CVO
- PS to all CGMs
- DGM (Fin.)-(A&E)
- All BMs
- SG, Fed. of STCEUs, New Delhi
- SG, Fed. of STCOAs, New Delhi
- SG, Fed. of STC SC/ST Employees Association.
- Internal Audit Division
- Secy. Cell
- Notice Board